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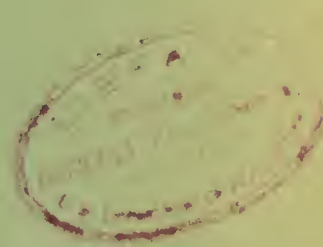
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AGRICULTURAL ADJUSTMENT

1938-39

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A Report of the Activities Carried on by the
Agricultural Adjustment Administration
July 1, 1938, Through June 30, 1939



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

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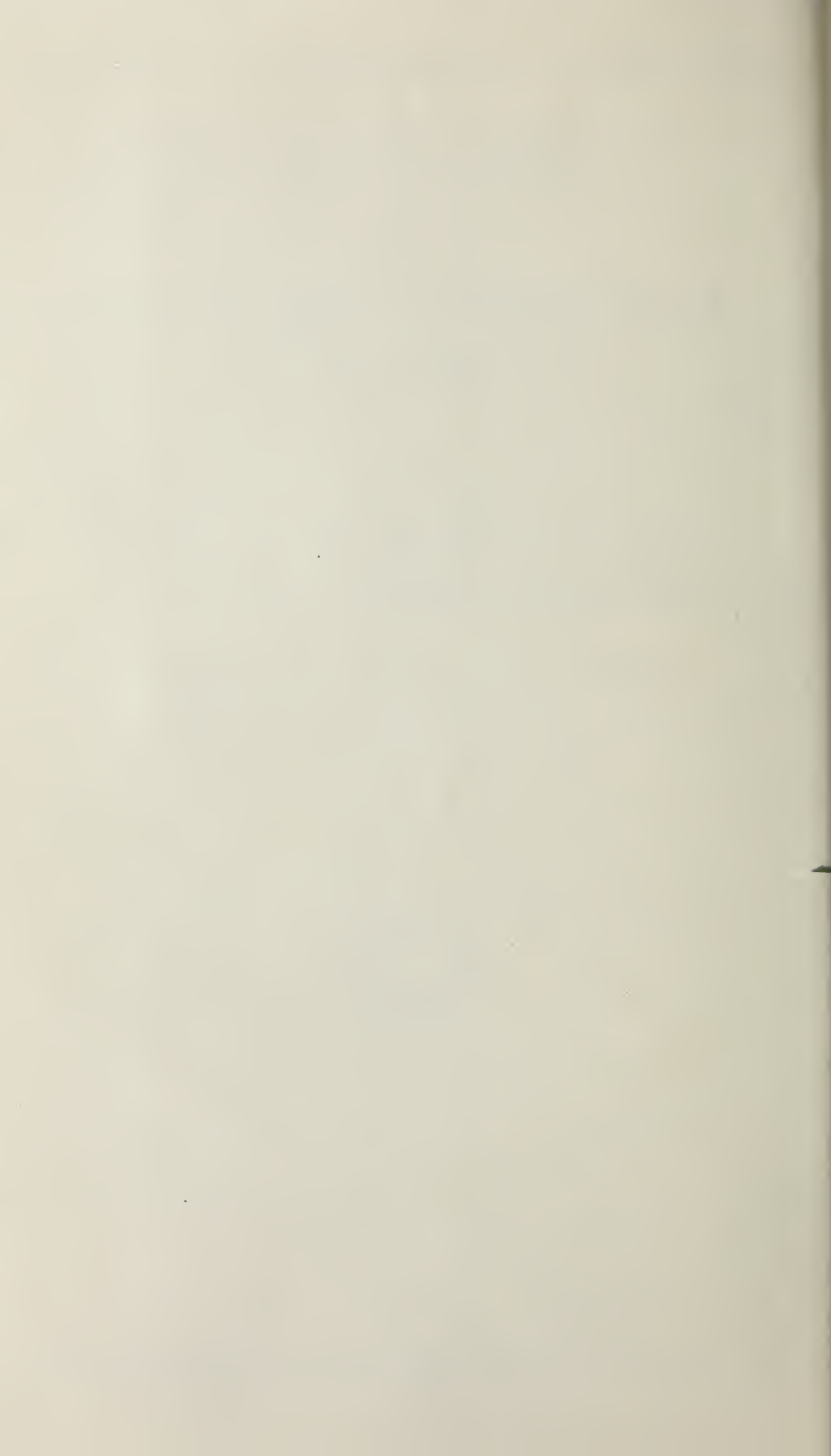
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A Report of the Activities Carried on by the
Agricultural Adjustment Administration

Under the Provisions of the Agricultural Adjustment
Act of 1938, the Soil Conservation and Domestic
Allotment Act, and Related Legislation, from
July 1, 1938, through June 30, 1939



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1939



LETTER OF TRANSMITTAL

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., November 1, 1939.

HON. HENRY A. WALLACE,
Secretary of Agriculture.

DEAR MR. SECRETARY: Herewith is transmitted the sixth report of the Agricultural Adjustment Administration, covering its activities during the year July 1, 1938 through June 30, 1939, during which period the 1938 program was carried out in accordance with provisions of the Agricultural Adjustment Act of 1938, the Soil Conservation and Domestic Allotment Act, and related legislation.

Some of the activities covered in previous reports of this agency, which were transferred to other agencies in the Department of Agriculture by the departmental reorganization in October of 1938, are omitted from this report. These relate to marketing agreements, surplus removal, administration of sugar-quota legislation, and program planning.

Sincerely yours,


Administrator.

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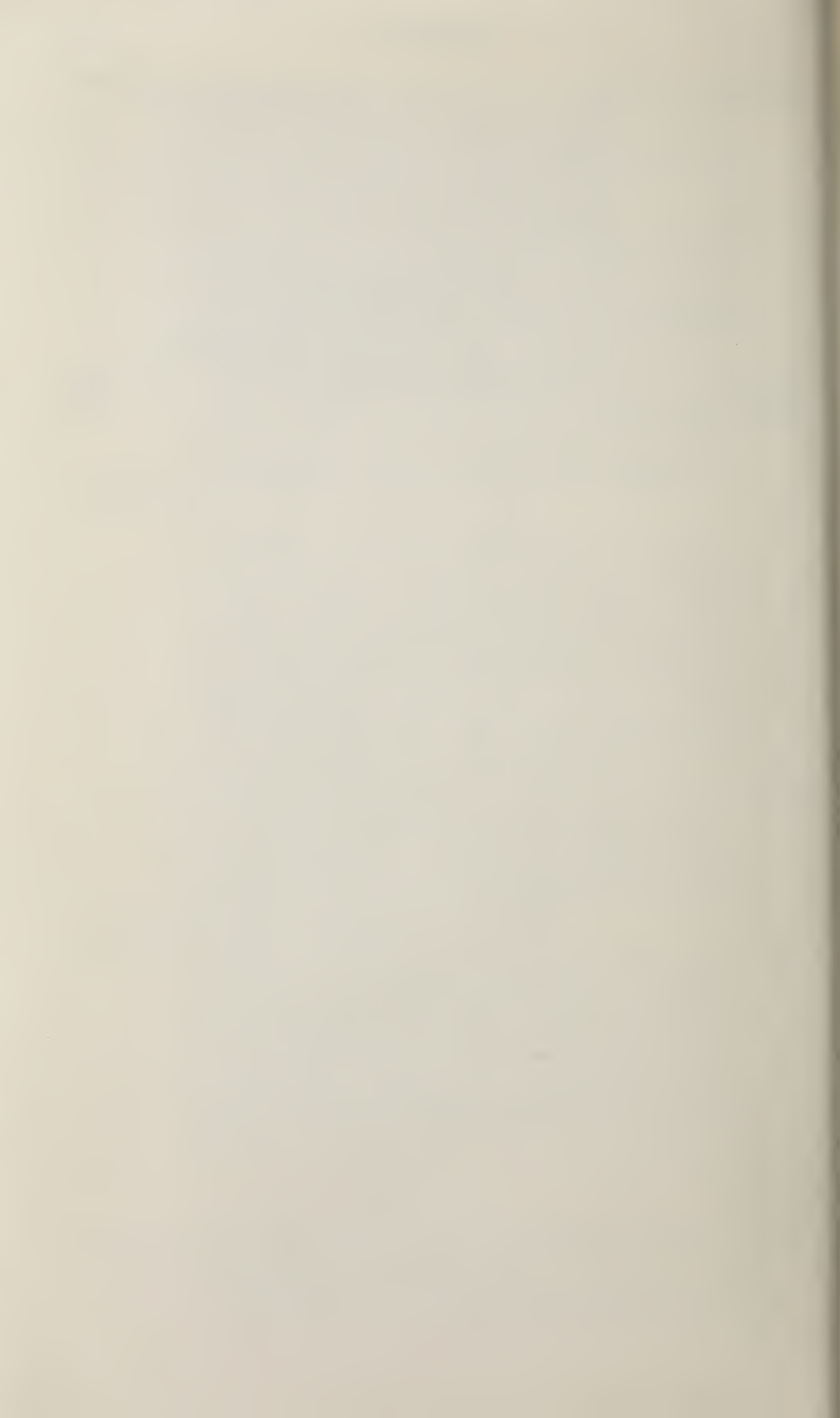
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Agricultural Adjustment 1938-39

CHAPTER 1

FOREWORD

It is now more than 6 years since the enactment of the first Agricultural Adjustment Act. During these 6 years the Agricultural Adjustment Administration has faced a variety of emergency problems. These have successively included surpluses, drought, the recasting of the farm program after the Supreme Court decision of 1936, the accumulation of new surpluses under the 1936 and 1937 programs, the administration of new legislation in 1938, and finally today, the overshadowing fact of war in Europe.

Out of these emergencies and out of the long-time needs of agriculture has evolved the present comprehensive national agricultural policy in which the program of the Agricultural Adjustment Administration has been and continues to be an integral part. With this program farmers are prepared better than ever before for the difficult problems of adjustment that must inevitably follow war abroad.

While emergency situations command wide public attention, it is important to remember that there are certain fundamental relationships between agriculture and the rest of our economy which exist at all times. For our continuing welfare the proper maintenance of these relationships is essential. The following pages review these relationships and the responsibilities of the Agricultural Adjustment Administration in properly maintaining them.

The Agricultural Adjustment Administration seeks to help the farmer help himself. Its help is not limited to the farmer. No farmer lives unto himself alone. How he uses soil resources, how much he produces, how much he buys, how living standards are maintained on his farm—all these vitally concern businessmen, industrial employees, consumers, and others.

The Agricultural Adjustment Administration was set up and operates in recognition of the fact that the whole Nation fares pretty much as farmers fare, just as farm welfare depends upon National welfare. Rural economic sickness is highly contagious.

The job of keeping agriculture economically sound and healthy is primarily the farmers' job. To help farmers do that job, the farm program provides a governmental agency through which farmers can tackle the job unitedly. The Government assists farmers in conserving the soil and increasing farm cash income. This is a contribution to the welfare of all groups in the Nation.

I. THE NATIONAL STAKE IN FARM WELFARE

It is a function and an obligation of agriculture to supply the farm and urban population with food and fiber. More than 130 million people are dependent upon nearly 7 million farms for the bulk of their food products, for the bulk of their clothing, and for much of the raw material which, when converted into finished products, makes up the conveniences and comforts of living. Agricultural products that provide the essentials to living are and should be supplied abundantly, and it is important that they be supplied at fair prices.

But food and fiber are not the only contributions which the farm makes to the Nation. Cities do not live by bread alone, nor is bread all that they require of the farm. Farms are expected to provide profitable employment for a large part of the population. Farms are expected to provide customers for business. Farmers are expected to preserve the soil, which is one of the Nation's chief assets. Farms are expected to rear and educate a relatively large share of the country's youth. These are the farm's best contributions. When farms cannot make these contributions adequately, the whole country suffers.

THE FARM'S CONTRIBUTION TO BUSINESS

About one-fourth of the actual or potential customers of American business live on farms. The amount of products that these people can buy depends directly on how much farm income they have. During the depression the farmers' share of the national income fell as low as one-sixteenth of the total. This meant that one-fourth of the Nation's consumers had so little purchasing power that they could not function adequately as customers. Besides this fourth that live on farms, many others who live in towns, which are centers of farming communities, depend on farm income for their livelihood nearly as much as do farmers themselves. Altogether, those living on farms and in rural towns constitute 40 percent or more of the entire population. They represent a tremendous potential outlet for retail trade, which becomes an actual outlet only when the ability to buy is added to the ability to consume.

The wheel of commerce and industry is geared to the farmer's dollar, and it turns less rapidly when the farmer's dollar is reduced in size. Business looks to agriculture to supply purchasing power so that sales can be made and maintained in rural areas. Supplying this purchasing power is the farm's contribution to business. This relationship was recognized by Congress in the agricultural adjustment acts.

THE FARM'S CONTRIBUTION TO URBAN JOBS

Another important service of agriculture is to provide employment for a large section of the Nation's workers. Nearly 11 million persons are gainfully employed on the farm. When farm returns are not lucrative as compared with work in cities, the tendency is for farmers and farm labor to seek a better livelihood in urban areas, where they compete with city workers for jobs. In the long run, low-priced food products do not benefit a city worker if they bring more farmers and farm laborers into town to compete for his job.

Then, too, a farmer with income helps make urban jobs by buying the products of industry. Increasing farm income has been an important factor in reemployment. Farm dollars soon become pay-roll dollars. A close connection exists between city pay rolls and farm income. They rise and fall together.

FARMERS ARE GUARDIANS OF NATION'S SOIL

Soil resources are the Nation's chief asset. The wealth of the country is based largely upon the soil. Only recently have we as a Nation come to regard soil fertility as an asset that can be worn out or lost through erosion and overcropping.

Food and raw materials for clothing have been cheap in this country if one considers only the price that farmers received for them. But the cost to the American people was more than the current price of the product. Under pressure of low prices for their products, farmers and their families were forced to mine their soil in order to stay in business. Prices were too low to enable the farmers to replace soil fertility. Individuals paid current prices for food and fiber, but the American Nation as a whole is paying a tremendous cost in the loss of soil resources. Much of that loss can never be recovered.

Soil exploitation has contributed heavily to damage that has been done to some 100 million acres of farm land already ruined or so seriously impoverished that it no longer can be profitably farmed. It has been estimated that soil erosion continued at the present rate would mean a loss of from 20 to 30 billion dollars during the next 50 years.

In the long run, the cost of food and fiber is based upon soil fertility. Despite heavy soil losses, farms in this country still can produce more than we need. But that should not disguise the danger that lies ahead if soil depletion and soil erosion are permitted to continue unchecked. We cannot continue indefinitely to use up good land to yield products that farmers sell below production costs. Low farm prices are potent causes of soil damage.

About half of the land area in this country is in farms, which include most of the fertile soil. Soil conservation is gradually becoming a basic part of farming. Farm income should be adequate to enable the farmer to put back into the soil the plant nutrients that his crops take out of it, just as a manufacturer sets up reserves for depreciation of plant and equipment. Only with adequate income can the farmer discharge his responsibility as guardian of the soil.

THE FARM'S CONTRIBUTION TO REARING YOUTH

Until recently we have been prone to disregard the extent to which the American farm maintains our National birthrate. The birthrate in rural areas is considerably higher than in the cities. In cities of 100,000 or more, for instance, 10 adults are now rearing only 7 children. Among the farm population, on the other hand, 10 adults are rearing 14 children. In other words, the civic and financial burden of rearing and educating children is about twice as heavy on the farm as it is in the city. Furthermore, the farm has paid much of the cost of educating adults now living in cities. In the decade 1920-29 about 40 percent of the youth who started to work in urban offices, factories, and

stores, came from farms. During their youth they were fed, clothed, and educated out of farm income. The burden on the farm of rearing and educating this proportion of our youth points to the need for an adequate farm income for the maintenance of rural educational standards, and of satisfactory health and social conditions.

THE PLACE OF THE FAMILY-SIZED FARM

It was against the background of farm life that much of what is richest in flavor and most definite in character in our American tradition developed. And the central point in that background was the family-sized, family-owned farm. It is among this country's oldest institutions. In this environment our political and economic concepts were shaped to a great degree. At the present time, when social change has done much to cause disintegration elsewhere, the security of the family-farm is being threatened.

The grouping of large numbers of small farms into large-scale holdings has spread at an alarming rate. The National Resources Board has predicted that, unless checked, this process, under the stimulus of increased use of farm machinery, which makes it possible with a large capital investment to put products on the market more cheaply, is likely to be accelerated.

The Board predicts that there will be fewer farmers supplying the commercial market for farm products, and that more small farmers will be forced to seek employment in cities or, failing that, to eke out a livelihood on subsistence farms.

For a time, large-scale farming may be able to supply cities with cheaper farm products. If that were all to be expected from farms, there would be no occasion for alarm. But the development of large-scale farming would provide employment for a smaller share of the population; and it would supply business with fewer customers. Likewise, under increased tenancy, the country could not expect soil resources to be guarded as well as they would be under wider owner management. Farmers themselves are apparently becoming deeply conscious of the extent to which the growing use of power machinery is favoring the development of large-scale farming. Crop reporters have commented more extensively than ever on the displacement of population by the consolidation of farms into larger holdings for operation by power machinery. They report numerous cases in which farm buildings have been moved away or torn down; or cases in which farmers have stopped farming, many selling out at sacrifice prices; or cases, finally, in which displaced farmers have gone to nearby villages, where they have often been added to relief rolls.

Until the agricultural adjustment acts were put into effect, there was little to protect small farmers from the competition of large-scale farm operations although Federal legislation has long sought to protect small businessmen from monopolies. The Agricultural Adjustment Administration program, through its acreage allotments, guarantees the farmer who participates in it a fair share of the market, and at a price better than that which ordinary competition would allow him. The program is especially liberal to small farmers, and affords price-income and soil protection without which solutions to these problems would be much more difficult.

FARM MUST HAVE INCOME TO MAKE FULL CONTRIBUTION

An adequate farm income is necessary if agriculture is to continue to make its important contributions to the country. Unless income is adequate, we cannot expect farmers to be good customers. Unless farm income is adequate we must expect that unemployed farmers will go to cities to compete with urban workers for jobs. Unless farm prices are fair, farmers will be driven to soil exploitation. Unless farm income is adequate, we cannot expect the farm to continue to provide decent standards of living for boys and girls on farms. We can no longer expect that all these farm services will be provided when corn is 12 cents a bushel, wheat 35 cents a bushel, and cotton 5 cents a pound, and prices of other products are at equally low levels. Not much more than food and fiber can be expected from long-continued unprofitable farming. But from profitable balanced conservation farming we can expect a much wider range of services.

A. A. A. CONTRIBUTION TO FARM WELFARE

This report is an account of the Agricultural Adjustment Administration's stewardship in 1938. That year marked an important phase in its progress. Behind 1938 lie the years in which the program was being formulated and strengthened. Ahead lies its further development.

How well did agriculture function during 1938, and what did the A. A. A. do to improve its functioning? Did it provide adequate supplies of food and fiber? Did the A. A. A. improve the assurances of adequate supplies? Was farm income adequate to enable the farmer to adopt a better living standard, to enable him to care for his soil, to speed up the wheels of business and commerce, to provide a return for farm labor commensurate with American standards?

The objectives of the Agricultural Adjustment Administration are threefold:

1. Abundant production of farm products adequate for all domestic requirements, for available export markets, and for an ample reserve.
2. Conservation of the soil through wise use of land by acreage allotments and by increasing soil fertility through soil-building practices carried out by all participating farmers.
3. A fair share of the national income to farmers through improvement of prices by better balanced supplies and by conservation and parity payments.

In achieving these objectives the A. A. A. relies upon the State, county, and community committees which form a decentralized democratic mechanism for administration of the program.

II. SUPPLIES OF FOOD AND FIBER

The Agricultural Adjustment Act of 1938 provides that its operation shall not prevent and shall help American farms to produce adequate supplies of food and fiber. Did agriculture produce enough in 1938? For purpose of comparison, figures for the 6-year period from 1924 through 1929 serve as a convenient measure. While it is

true that the American population is now larger, it is also true that export markets have shrunk, and part of what was formerly exported is now available for home consumption.

Farm production in 1938 was 4 percent larger than the average for this 6-year period. Dairy production was about one-sixth larger; production of truck crops, fruits, and vegetables about one-fourth larger; and grain production about 2 percent larger. The output of the farm was less than in 1937, but the reduction in cotton output accounted for most of the decrease.

FARM OUTPUT ABOVE INDUSTRY'S LEVEL

The index of farm production has remained consistently higher than that of industrial production throughout the present decade. Even during the drought years, when a large part of the farm land that normally produces much of our food supply was barren, there was only one year in which total farm production was lower relative to the 1924-29 average than industrial output.

The consistency with which agriculture has maintained its production at a relatively higher level, compared with pre-depression standards, than that maintained by industry, is shown in the following tabulation:

Year	Industrial production (1924-29= 100)	Agricultural production (1924-29= 100)	Year	Industrial production (1924-29= 100)	Agricultural production (1924-29= 100)
1930-----	90	101	1935-----	84	92
1931-----	76	107	1936-----	98	95
1932-----	60	100	1937-----	103	109
1933-----	71	97	1938-----	80	104
1934-----	74	94			

AMERICAN FARMER HAS AMERICAN MARKET

American farms supply the great bulk of the American market. Of the home market for products that are produced in this country, the American farmer supplies more than nine-tenths. There has been little change in this situation in the last 15 years. In 1938 American producers supplied at least 99 percent of the American market for dairy products, for pork, and for corn, and more than 95 percent of the market for beef. These products are mentioned because they bulk large in the list of competitive farm imports, but imports of them are small when compared with the total products that the home market takes. Furthermore, this country normally exports more farm products than it imports.

Imports supply deficiencies on the market when there is crop failure. For example, when the drought cut the supplies of corn to nearly half the normal production, supplies of corn from Argentina and Mexico helped American farmers carry their livestock through. However, even with the drastic curtailment of corn production during the drought, imports of corn in the heaviest year of imports accounted for only about 4 percent of a normal corn crop. Corn imports were negligible for the 1938 season, amounting to less than one-tenth of

1 percent of our total corn production. In times of scarcity, imports may be of benefit to consumers and producers of livestock products alike. As a rule, competitive imports increase when the American market is good, with prices high enough to warrant bringing in agricultural products over the tariff barriers.

THE EVER-NORMAL GRANARY

The Ever-Normal Granary has grown out of the experience of farmers in the last 6 years. In the Ever-Normal Granary farmers carry over food and feedstuffs from years of plenty into years when they are needed to provide an adequate supply.

During the drought of 1934, corn stored on farms under the first corn loan in 1933 helped piece out feed supplies for our livestock. Now a loan and storage program under the Ever-Normal Granary plan is in effect for wheat, which is the No. 1 food crop, and for corn, which is the No. 1 feed crop. Additional wheat reserves are held in the Ever-Normal Granary through Federal crop insurance, under which program wheat growers put aside a portion of their crops as premiums to offset possible crop failure. The insurance reserve is in actual wheat on which insured farmers may draw when they have crop losses.

The Ever-Normal Granary makes larger carry-overs possible. By storing corn, we are carrying over in a nonperishable form potential supplies of pork, beef, dairy products, eggs, and other animal products.

The Ever-Normal Granary means more than storage of surplus supplies. Farmers are building up an Ever-Normal Granary in soil fertility. Maintaining a fertile soil is the best means of assuring consumers future supplies of food and fiber at reasonable prices.

Almost 6,000,000 farmers working through the A. A. A. programs are maintaining production at an adequate level, and, at the same time, maintaining in their land ample supplies of soil fertility, which is the fountainhead of the flow of farm products to market.

III. CONSERVATION OF THE SOIL

In the long run, a profitable agriculture depends upon a fertile soil. Programs of the Agricultural Adjustment Administration conserve and build soil fertility. The shift from intensive cropping gives rest to millions of acres that for years have been hard driven by surplus production. Cover crops that produce feed for livestock are serving the additional purpose of keeping fertility in the soil instead of letting it drain away through a course that begins with the tilled row and ends in the sea. The Sabbath of the land, which was an inviolable command to the Israelites, is being restored in systems of rotation and in farm practices that stop drains on soil fertility. For 6 years the soil-saving theme has run through our farm operations. Its results cannot be accurately measured. Nor is the full benefit of land-resting yet evident. Farmers well know that the full results of farming are never evident the following year. Only now are we beginning to realize the heavy losses in soil that resulted from soil-mining methods of farming that were practiced decades ago.

The A. A. A. program is helping farmers make a shift from exploitative to soil-conserving farming. It is assisting them to rely less on soil-depleting crops and more on grasses and legumes. This

means a shift to less intensive farming. In 1938 the soil-depleting acreage was about 12 million acres below the average for the previous 10 years, but supplies were ample, and in some cases there was surplus production. It is plain that farmers have shifted to a type of farming that is easier on the soil and still maintains supplies at an adequate level.

GIVING PERMANENCE TO INCOME YIELD OF FARMS

While year-to-year assistance can be given to farm income, the job of converting farming into a source of adequate long-time income is largely the job of the farmer working on his individual farm. Government help is a supplement to and not a substitute for individual management by competent farmers. A permanent increase in farm income is the ultimate end of the agricultural adjustment. Its income objective lies in the future as well as the present.

Farm income has suffered because too many farms were dumping surpluses onto the market. It has suffered because too many farmers were dipping deep into their capital assets in the soil to produce low-priced products. The A. A. A. farm program has sought to change direction and effects of that type of farming, and to increase the number of farms which are operated in such a way as to prevent surplus production and soil waste. Soil conservation is essential to a long-time farm income.

SOIL CONSERVATION AND PROFITABLE FARMING

There are more than a billion acres of land in farms of this country. More than half of it is pasture land. About 365 million acres have been used for harvested crops. All of the pasture land and about 70 percent of the cropland are used to feed livestock. We could use to advantage a larger proportion of pasture and hay for feeding livestock. In many cases milk and meat can be produced more cheaply by feeding a larger proportion of pasture and hay. Hay and grass are also easier on the land.

A shift away from surplus harvested crops to use of land for the production of pasture and hay is encouraged by the Agricultural Adjustment Administration program. Such a shift lessens the heavy toll that farmers pay annually in the form of soil fertility lost by erosion. Some of the cropland shifted was seeded to pasture, some was fallowed to conserve moisture, and some was planted to legumes and other crops in rotation. None of this land was retired from production. None of it was idle. It produced and improved while shifted from intensive cultivation.

In the past our farming systems had tended to concentrate labor and expenditures upon land devoted to harvested crops. There was a tendency to neglect pasture. During 1938 farmers cooperating in A. A. A. programs applied $5\frac{1}{2}$ million tons of lime and fertilizer to their land, with a view to making grassland more productive of feed for livestock.

THE CONTRIBUTION OF GRASS

At last we have realized the important contribution that grass has made to our meat supply on the range. We have realized, too,

that because of neglect of our grass resources, range feed is no longer as bountiful as it once was. Better range means more efficient livestock production year after year. This country has definitely embarked upon a program to improve the range. Ranchers can select from the range program those improvement practices which are best adapted to their ranches. This program lessens the burden upon the range so that the best native grasses may have an opportunity to reseed naturally. It removes the handicap which exploitation imposed upon the self-perpetuation of natural forage.

Another feature of the program conserves water, so that stock may be better distributed. Still another feature strikes at the forces of erosion, and helps cattle in their competition for forage on the range. Grass restoration occurs on a large scale on the range, and it is needed on millions of farms throughout the United States.

RESTORATION OF SOIL RESOURCES

For several generations, soil exploitation has put farming out of tune with nature's restoratives. Grass, brooks and rivers, the birds of the air, trees—all these have their place in making and keeping soil resources available to farmers for conversion into food and fiber. The period of so-called profitable soil exploitation has come to an end. It is time now to restock the soil and to give nature's restoratives a chance to function.

Good farming keeps up its inventory of soil fertility; exploitative farming does not. Farm returns often have not been adequate to enable farmers to rest their land and restore the supply of plant nutrients that were taken out during long periods of exploitation. Soil conservation payments help farmers do this; to receive them farmers must carry out practices beneficial to their land.

Almost three-fourths of the cropland in the United States was included in the 1938 A. A. A. program. That means that a system of farming which is easier on the land, and which makes for more permanent profit, is operating on the great majority of crop acres which provide farm supplies to our cities and a livelihood to our farm population. It means that soil exploitation is lessened on the bulk of our cropland; that price-ruining surplus production is being cut down; that this kind of production is being diverted to the increasing of soil fertility; and that the handicap is being removed on nature's way of keeping land productive.

IV. THE FARMER'S INCOME

Gross farm income in 1938 was about \$9,300,000,000. This is less than the level of farm income attained in 1937, which well exceeded \$10,000,000,000. However, it is considerably above the level to which farm income fell in 1932, prior to the application of the farm-recovery measures which included the Agricultural Adjustment Act. Gross farm income in 1932 was about \$5,600,000,000. Since 1932 there has also been an improvement in the farm share of the total national income. In 1932 agriculture's share was about 6 percent of the total. In 1938 it was over 9 percent, and in 1937 almost 10 percent.

Farm income figures themselves do not tell a complete story of the economic welfare on the farm. Several other factors must be taken

into consideration. Did this increase in total income mean that farmers could buy more with it, or did the prices that farmers have to pay for products they bought increase as much as their income? After paying their production costs, did increased income leave more money available for living, or did higher farm expenses eat up all the income gains?

FARMER'S PURCHASING POWER ADVANCES

In 1938 the exchange value of farm products was about 78 percent of pre-war. It was over a fourth larger than the 1932 exchange value. Prices farmers received for their products increased more rapidly than the prices at which they bought nonfarm products.

Taking into account the decline in prices that farmers paid, their 1938 income was able to buy over 90 percent as much as the 1929 income.

This restoration of purchasing power was quite generally shared except in regions that were affected by drought. Farm buying power in the North Atlantic States, in the East-North Central States, and in the South Atlantic States was from 5 to 9 percent higher in 1938 than in 1929; in the South Central States and the Western States it was more than 90 percent of the 1929 buying power. In the West-North Central States, where abnormally poor crop conditions affected farm income, buying power was about 79 percent of the 1929 level.

MORE INCOME AVAILABLE FOR LIVING

What concerns farmers is how much money they have left for living at the close of a year after paying such costs involved in farming as seed, fertilizer, taxes, and interest. This is the measure of how well farm families live. This is their living residue.

The income available for living has increased more rapidly than gross income. While gross farm income in 1938 was slightly less than double the income of 1932, the farm income available for living was well over twice as great. After paying the most important production expenses, farmers in 1932 had less than \$2,000,000,000 left for living. In 1938 farmers had for living about \$4,400,000,000 above production expenses.

It is obvious that agriculture has made a vigorous recovery since the low point of the depression, and although farm income receded from the high point of 1937, the year 1938 found agriculture as a whole maintaining most of the gains that had been made in buying power.

COUNTRY SHARES BENEFITS FROM LARGER FARM BUYING POWER

Improved farm buying power also has made its contribution to the restoration of commerce. Rural retail trade is the point at which the products of industry meet the farm dollar. This is the outpost for industry's products destined for the farm.

The increase in farm buying power has been accompanied by an increase in rural retail sales. As compared with 1932, rural retail sales in 1938 were 80 percent higher, farm machinery sales 439 percent higher, and automobile sales in farm States more than 100 percent higher.

With the increase in farm income, the distressing effect of heavy farm indebtedness which was felt throughout the country has been somewhat alleviated. Farm indebtedness has declined by about \$2,000,000,000 since 1932.

Prior to that time most of the decreases in farm indebtedness resulted from foreclosures, but since then increased farm income has made possible an orderly retirement of the burden of debt on the farm.

HOW FARM PROGRAMS HELPED INCREASE INCOME FOR FARMERS

Direct additions to farm income were made through the A. A. A. payments to farmers. Payments during the 1939 fiscal year totaled \$640,000,000, which added 8½ percent to the income from sales during this period. This direct contribution to farm income can be accurately measured. There are other effects on farm income exerted by the farm program which are more difficult to determine with accuracy.

Acreage allotments, designed to adjust production to requirements, are fundamental to a healthy price and income situation. Farm income is also affected by operation of marketing quotas which are provided under the Agricultural Adjustment Act for use by farmers when supplies exceed certain levels. Voting in favor of these quotas, cotton and tobacco farmers in 1938 protected their income by holding down the acreage planted to these crops and avoiding the piling up of additional surpluses.

The commodity loans have also exerted an influence on farm income. The loans authorized under the Agricultural Adjustment Act are not intended as price-pegging devices. There is a recognition, however, that farmers cannot operate profitably when prices fall below certain levels. In these situations loans definitely support prices. However, the marketing quota provisions of the act make it possible for such loans to be made with the assurance that supplies going on the market will be regulated. This is a protection to the loan program. Under the corn loan plan, farmers put aside a part of their surplus for feeding when livestock prices are better. They are assured of immediate cash on their stored corn equal to the loan value and they are able to wait for any advance in price that may occur. The loan is a part of the Ever-Normal Granary plan.

Under a similar plan, surplus corn was thus stored in 1933, and increased in marketable value in the drought of 1934, when supplies were badly needed. Under the 1938 loan program 257,000,000 bushels of corn were stored on farms where produced. In 1938 loans on stored wheat retained in possession of the grower were made available to wheat growers. Of their surplus, wheat growers set aside 85,700,000 bushels of wheat under this loan plan, which also included price-supporting provisions.

Cotton producers were likewise offered a loan and about 4½ million bales of the 1938 crop were placed under the loan, bringing the total amount under loan to approximately 11,250,000 bales.

RELIEF FROM PRESSURE OF LOWER WORLD PRICES

When the depression came, producers of export products, such as wheat, cotton, and pork, suffered heavy losses of income. That part

of their production which was exported tended to set the price for their entire production. Thus, when wheat was exported the price at home tended to be set around the world market level, even though purchasing power in this country was above that abroad.

For both wheat and cotton, however, the returns from that portion of the crop used for home consumption were maintained above the world market level during 1938 with the aid of the farm programs.

IMPROVING THE MARKET FOR FARM PRODUCTS

While more than 90 percent of our farm production is consumed at home, the world market is still an important source of income for producers of some products. Wheat, cotton, and tobacco are examples. We have natural advantages and farming methods that enable us to put some products on the world market as cheap as or cheaper than can competing countries. These advantages have been offset by import barriers and export subsidies which competing countries give their farmers. Efforts are now being made to remove some of these handicaps through trade agreements to permit a freer movement of trade. But until this is done, this country is helping the American farmer keep his share of the world market by means of export subsidies and other aids. Approximately 107,000,000 bushels of wheat were moved into export during 1938-39 and more than four-fifths of this amount was exported with the help of Government subsidy.

This country has consistently cooperated in attempts to regulate world trade in wheat by international agreement and has taken the initiative toward an international cotton agreement. Until such agreements can become effective, however, the United States is forced to take necessary steps to protect its producers in the markets of the world.

Relief distribution of farm products is helping to supply a part of the home market that lacks adequate purchasing power to pay farmers fair prices. Fitting production to the market is one part of the farm program, but an expanding market is also a part of that program. In the reorganization of the Department of Agriculture in October 1938, the market-expansion functions were transferred from the Agricultural Adjustment Administration to another agency, but these functions still bear a close relationship to the operation of the A. A. A. farm plan.

V. THE DEMOCRACY OF THE FARM PROGRAM

No report of the activities of the Agricultural Adjustment Administration can be complete without an appraisal of the economic democracy which is expressed in part by the A. A. A. farm committees. During the more than 6 years of existence of the Agricultural Adjustment Administration, farmers have gained, through democratic processes, the administrative experience and developed the leadership to enable them to conduct any farm program that may be adopted. In every farm county in the United States—more than 3,000 of them—farmers themselves have elected certain of their neighbors to serve as county and community committeemen for the local administration of the program.

Today these committees are more important than ever before. This is a time when agriculture must be prepared to move rapidly. Now is a time when experienced leadership is essential. Today there are more than 100,000 of these committeemen. These men who have an intimate knowledge of the local operation and administration of the program represent real agricultural leadership.

The placing of responsibility for the local administration of this program upon farmers themselves has been a cardinal principle of the Agricultural Adjustment Administration since its beginning. This adherence to the democratic ideal in economic affairs gives added significance to the A. A. A. program.

PROGRAM DEPENDS ON INDIVIDUAL FARMER

A farm program remains a lifeless thing until farmers apply the program to their own farms. Most of the soil-conserving methods, as well as methods for improving prices and methods for stabilizing supplies, have long been known to farmers. Individual farmers have long been familiar with the potential results that can be expected from the application of these methods. However, certain economic conditions stood in the way of their more extensive use. The chief job of the A. A. A. program is to remove the obstacles in the path of these farming methods, and to provide an incentive to their more extensive use. The Agricultural Adjustment Administration does not put soil conservation practices in effect on an individual farm; it helps farmers meet the temporary cash outlay entailed in practicing soil-conserving farming. It does not stabilize supplies of farm products; it makes it possible for farmers to keep their production in line with market demands, and furnishes a surplus storage plan. It does not fix prices for farm products; it encourages farmers to keep production at a point that will bring them better prices, and it provides price-supporting loans on important commodities. In short, it forces nobody to do anything, but does make it possible for farmers to help themselves.

The Agricultural Adjustment Act offers farmers a program. It presents methods of farming that can be applied to farms to produce better income and more assurance of profitable farming over a long time. If farmers did not apply it to their farms, the Agricultural Adjustment Act would be merely a scrap of paper.

One important test of the Agricultural Adjustment Act is the question: How many farmers are applying it? In 1938 the number of farmers who complied with provisions of the program increased to a total of 5,248,796—over 40 percent more than the number for the previous year. The fact that all these farmers are cooperating indicates that the program can be fitted advantageously to widely varying farming conditions; it is a tribute to the program, and to the effectiveness of the farm committees who administer the program in their localities.

CHAPTER 2

THE 1938 A. A. A. PROGRAM

The 1938 program of the Agricultural Adjustment Administration was designed to carry out legislation assigned to this agency for administration. This legislation, which is intended to promote soil conservation on farms, improve farm income, and provide a more even and adequate flow of supplies of farm products, is included under provisions of the Soil Conservation and Domestic Allotment Act, the Agricultural Adjustment Act of 1938, and related legislation. The various activities coordinated in the 1938 program of the Agricultural Adjustment Administration are:

Keeping soil-depleting crops within acreage goals, and distributing the goals among farmers by means of acreage allotments;

Carrying out farm practices beneficial to the soil and encouraging production of soil-conserving crops;

Making payments to producers for participation in program;

Stabilizing supplies of key crops by means of loans and marketing quotas;

Administering or assisting in the administration of special programs such as those for range, naval stores, and crop insurance;

Maintaining facilities for farmer participation in administration and formulation of programs;

Formulating and initiating program for 1939.

These activities are given varying emphasis—to meet the individual problems of the producers of various crops and to adjust farming in various regions. Although administration of the commodity programs is on a regional basis, a large part of the foundation work for the programs dealing with each of the basic crops is undertaken by the division for the region where the crop is predominant. On such a basis, the Southern Division is assigned cotton; the North Central, corn; and the Western Division, wheat.

I. ACREAGE GOALS FOR SOIL-DEPLETING CROPS

National goals for soil-depleting crops were established with a view to the acreage of soil-depleting crops that can safely be grown from the standpoint of soil conservation and to the acreage of each particular crop needed for current domestic and export demands and adequate reserves. These considerations are in line with the objectives of the Soil Conservation and Domestic Allotment Act. The objectives include preservation and improvement of soil fertility, promotion of economic land-use, diminution of exploitation and wasteful use of soil resources, and the protection of rivers and harbors against the results of soil erosion; maintenance of a stable

and adequate supply of farm products to meet consumer demand at prices that are fair to both producer and consumer; and the operation of the program in such a way that the production of supplies sufficient to maintain normal domestic consumption will not be discouraged. For five products—cotton, wheat, rice, tobacco, and corn—supply levels sufficient to allow for protective reserves were specified in the Agricultural Adjustment Act of 1938, and these specified levels determined largely the goals established for these crops.

The national soil-depleting goal was the total of special national goals. These special goals were: General soil-depleting (which included wheat and other small grains), cotton, tobacco, corn, potatoes, peanuts, and rice. For cotton, tobacco, and rice, acreage allotments applied to counties in which such crops were grown. For corn, peanuts, and potatoes, allotments applied only to those counties which were in the principal commercial-producing areas, as designated by the Agricultural Adjustment Administration. The acreage adjustment affected directly by the program occurred only in these areas. With the exception of corn, wheat, and potatoes, national individual crop goals were set in 1938 only for crops for which there were special soil-depleting bases under the 1936 and 1937 programs. A special goal was included for potatoes, in line with the results of a referendum held among potato growers.

SOIL-DEPLETING CROPS DECLINE 12 MILLION ACRES

In 1938, farmers harvested an acreage of soil-depleting crops substantially smaller than the average for the preceding 10 years, but somewhat larger than the national goal sought. The 1938 goal for all soil-depleting crops was between 275,000,000 and 290,000,000 acres. The acreage of these crops actually grown in 1938 totaled 293,000,000 acres, about 3,000,000 acres more than the maximum goal but about 12,000,000 acres less than the average harvested during the previous 10 years. The cotton acreage grown was nearly 12,000,000 acres less than the average for the previous 10 years and nearly 2,000,000 acres below the minimum goal. The corn acreage grown was nearly 9,000,000 acres below the average for the previous 10 years, and about 1,000,000 acres less than the minimum goal. There was thus substantial achievement of goals for the major crops except wheat. Winter wheat harvested in 1938 had already been planted when the 1938 program got under way and compliance with total soil-depleting acreage allotments rather than with wheat acreage allotments was a condition for payment. Under these circumstances, although the Agricultural Adjustment Act of 1938 fixed a wheat acreage allotment at 62,500,000 acres for the purpose of computing payments, the acreage planted was about 17,000,000 acres above the allotment.

The average acreage harvested during the 10 years prior to 1938, the goals established under the 1938 program, and the acreage grown in 1938 for each of the crops or groups of crops for which goals were established are as follows:

Crop	Acreages (thousands of acres; i. e., 000 omitted)		
	1928-37	1938 goal	Grown in 1938
Corn.....	102, 429	94,000 to 97,000----	93, 689
Cotton.....	36, 801	27,000 to 29,000----	25, 018
Rice.....	913	825 to 875-----	1, 076
Tobacco:			
Flue-cured.....	928	850 to 875-----	912
Burley.....	396	440 to 460-----	407
Dark tobacco.....	232	170 to 180-----	152
Filler, binder.....	98	85 to 90-----	80
Peanuts.....	1, 377	1,500 to 1,600-----	1, 708
Potatoes.....	3, 411	3,100 to 3,300-----	3, 082
All soil-depleting.....	305, 000	275,000 to 290,000---	293, 000

ACREAGE ALLOTMENT FOR SOIL-DEPLETING CROPS

Two considerations were involved in distributing the acreage allotments of soil-depleting crops: Soil-conservation needs of the individual farm; and an equitable share of the market for the farmers. County committees, with the aid of local committees in the county and in accordance with procedure established by the Agricultural Adjustment Administration, established total soil-depleting acreage allotments for each farm on the basis of several considerations. These included good soil-management requirements for the farm, the total tillable acreage on the farm, type of soil, topography, degree of erosion, acreage of soil-depleting crops customarily grown on the farm, and the acreage allotments for individual soil-depleting crops. The 1938 program also gave more consideration to the needs of areas in which the production of food and feed for home use is deficient, and this, too, was considered in apportioning the soil-depleting acreage allotment.

The provisions made for equitable distribution to small producers and to new producers and the allowances for the development of trends in production under the program are set forth in detail in the bulletin for the 1938 program, which is published as an appendix to this report. (P. 93.)

II. SOIL-BUILDING PRACTICES UNDER THE 1938 A. A. A. PROGRAM

In addition to keeping soil-depleting crops adjusted to market requirements and thus lessening exploitative use of land, the program also encouraged the expansion of acreages of soil-conserving crops, such as grasses and legumes, and the building-up of land devoted to these crops by the use of lime and fertilizer. Soil-building practices also included such methods of controlling erosion as contour cultivation and furrowing, terracing, water spreading, basin listing, and strip cropping.

New seedings of legumes and grasses for which farmers earned payments under the program totalled 30,074,685 acres, as compared with 29,071,870 acres under the program of the previous year.

More than half of this acreage was seeded to biennial and perennial legumes and perennial grasses, a total of about 17,500,000 acres. About 9,600,000 acres were seeded to annual legumes and grasses.

Farmers, in complying with the program, planted a total of 25,243,669 acres of green-manure and cover crops, which was more than double the acreage planted to these crops in complying with the 1937 program. Of this acreage, 17,457,685 acres were planted in States of the South.

Forest tree practices, which include planting trees in woodlots and for windbreaks, maintaining stands of trees, improving stands, and fencing off woodlots to prevent grazing, were carried out on 196,785 acres. Of this total, 55,445 acres were planted to trees, and stands were maintained and improved on 141,340 acres.

The program's pasture practices included reseeding and contour ridging. Natural reseeding by deferring grazing was carried out on 2,012,750 acres in addition to more than 28,000,000 acres reseeded under the range program.

LIME AND FERTILIZER APPLICATIONS

A total of 5,546,994 tons of limestone and fertilizer was applied in complying with the program. Limestone applications totalled 5,019,292 tons; applications of 16 percent superphosphate or its equivalent totalled 496,638 tons; and applications of muriate of potash totalled 12,035 tons.

Provision was made under the 1938 program for furnishing superphosphate, limestone, seeds, trees, and other materials as grants-of-aid in lieu of cash payments for compliance when producers filed request for these materials. Under the 1937 program superphosphate was thus supplied to farmers in a number of States in the East Central and Southern Regions within economical shipping distance of the Tennessee Valley Authority plant in Sheffield, Ala. Arrangements were again made with the Tennessee Valley Authority to continue this phase of the program in 1938. Limestone also was made available to farmers in a number of areas where it had been difficult to secure adequate supplies at a reasonable price.

Under the 1938 program distribution of materials as grants-of-aid totalled \$2,384,502. For this distribution, 66,851 tons of triple superphosphate were purchased at a cost of \$2,218,603; 33,751 tons of liming materials at a cost of \$104,187; and 1,281,000 pounds of seeds at a cost of \$61,711.

An arrangement also was made with the Forest Service to furnish and plant trees for farmers in certain parts of the Great Plains area, and where this was done a deduction of \$10 per acre of trees planted was made from the farm payment and transferred to the Forest Service.

EROSION-CONTROL PRACTICES

Erosion-control practices, exclusive of terracing and construction of dams and reservoirs, were applied to 15,990,306 acres under the program. Protected summer fallowing, a practice readily adaptable to dry-land farming improvement, was applied to 7,471,210 acres—nearly half of the total to which erosion-control practices were applied. Contour farming of intertilled crops was applied to 4,510,508

acres. Other erosion-control practices were carried out as follows: Strip cropping, 713,207 acres; contour seeding of small grain crops, 982,430 acres; contour listing and basin listing on the contour, 1,945,772 acres; other basin listing, 268,875 acres; contour listing or furrowing noncrop land, 96,467 acres; protecting muck land by windbreaks, 1,837 acres. In complying with provisions of the program, 392,036,000 linear feet of terracing were constructed and 5,638,125 cubic yards of earth were used in the construction of dams and reservoirs.

The total earned by farmers for carrying out these soil-building practices under the 1938 program is estimated at \$77,725,000, which does not include payments made under the restoration land, range, and naval stores programs.

RESTORING LAND TO NATIVE COVER

A program was instituted in 1938 for restoring, insofar as practicable, a permanent vegetative cover on land in the Great Plains area unsuited to the continued production of cultivated crops. Some of the land on which cultivation is most hazardous has been purchased by the Federal Government, permanently retired from cultivation, and put to other economic uses. In its restoration land program the Agricultural Adjustment Administration made it possible for individual farmers to cooperate by retiring land unsuited to cultivation and restoring it to native cover. Under this program about 3,500,000 acres were designated as restoration land.

Payments under the 1938 program totalled \$1,524,000, earned by producers of 10 States: Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. Payment for retiring land and restoring it to vegetative cover was at the rate of 50 cents per acre.

III. PARTICIPATION AND DISTRIBUTION OF PAYMENTS

Under the 1938 program, 5,248,796 farmers earned conservation payments, as compared with 3,657,496 under the 1937 program—an increase of 1,591,300, or more than 40 percent. This increase occurred in all regions, although it was particularly marked in the Southern and East Central States. Increases in the South alone accounted for nearly a million of the additional participants.

The acreage of cropland in farms participating in the program totalled 320,693,478 acres, or more than 72 percent of the cropland in all this country's farms. This is an increase of 38,000,000 acres in participating cropland over that of the previous year. More than three-fourths of this increase occurred in States of the South. The increase in the number of farmers participating was relatively larger than the increase in the participating crop acreage, indicating increased participation of small farms and farms with a relatively small proportion of cropland.

DISTRIBUTION OF PAYMENTS

Of the total payments of \$443,691,000 earned by producers under the 1938 conservation program, approximately 75 percent was earned

for complying with the acreage allotments established under the program. The total for compliance with cotton allotments is estimated at \$141,689,000; for compliance with the allotments for general soil-depleting crops, \$127,642,000, of which \$50,458,000 was earned by wheat producers in connection with the allotments for wheat; for compliance with the allotments for corn, producers in the commercial corn area earned \$61,044,000. The amount for compliance with allotments for tobacco is estimated at \$10,133,000; for potatoes in the commercial area, \$6,115,000; for peanuts for nuts, \$1,217,000; and for rice, \$1,909,000.

Payments to farmers for remaining within their acreage allotments for general soil-depleting crops were made at the rate of \$1.25 per acre, adjusted for productivity, for each acre in the allotment. The payments for individual crop allotments were made on the normal yield of the allotted acreage at the following rates: Cotton, 2.4 cents per pound; corn, 10 cents per bushel; wheat, 12 cents per bushel; tobacco, 0.5 cent to 1.8 cents per pound, depending upon the type of tobacco; potatoes, 5.4 cents per bushel for early potato-producing areas, and 3.6 cents per bushel for late producing areas; peanuts, 0.2 cent per pound; and rice, 0.125 cent per pound.

MORE SMALL PRODUCERS IN PROGRAM

More participation by small producers, which was one of the objectives of the program, is also indicated by the increase in the number of small payments made. This was equal to nearly two-thirds of the total increase in farmers participating. There was an increase of over 916,000 producers who received payments totalling less than \$60. The number of producers who received payments of less than \$40 increased by more than 412,000, and there was an increase of 160,000 in the number of producers who received payments of less than \$20.

Over 93 percent of the participating farmers earned payments of less than \$200, and these payments were increased under the provision of the Soil Conservation and Domestic Allotment Act, as amended, which established a formula for scaling small payments upward.

The formula for scaling small payments upward, which was effective for the first time in the 1938 payments, provides for increases for all payments of less than \$200, though the rate of increase lessens as the payments increase in size. Payments totaling \$20 or less are increased 40 percent; payments of \$21 to \$40 are increased by \$8 plus 20 percent of the excess over \$20; payments of \$41 to \$60 are increased by \$12 plus 10 percent of the excess over \$40; payments of \$61 to \$186 are increased by \$14; and payments of \$186 to \$200 are increased to \$200.

IV. STABILIZING SUPPLIES OF MAJOR CROPS

The Agricultural Adjustment Act of 1938 provided for stabilizing the supplies of five major crops at adequate levels. The crops are cotton, corn, wheat, tobacco, and rice. The stabilizing provisions include acreage adjustment, storage of surpluses under loans, and marketing quotas to regulate marketing when supplies are excessive. Loans are directed, at specified rates, when certain conditions of

supply or price prevail for wheat, cotton, and corn. Marketing quotas, applying a penalty for marketing in excess of the quota, are also proclaimed under specified conditions, although a quota becomes effective only when it receives the approval of at least two-thirds of the farmers voting in a referendum.

1938 CROP LOANS DIRECTED FOR COTTON, CORN, WHEAT

In 1938 commodity loans were offered on cotton, corn, and wheat. These loans are made by the Commodity Credit Corporation, and certain of the terms and conditions are fixed upon recommendation of the Secretary of Agriculture and with the approval of the President.

Loans on corn become mandatory when the November crop estimate for corn is in excess of a normal year's domestic consumption and exports or when the farm price of corn on November 15 or at any time thereafter during the marketing year is below 75 percent of the parity price. The 1938 November estimate of the corn crop was 2,480,985,000 bushels, which was in excess of the normal year's domestic consumption and exports. In accordance with a loan rate schedule in the act, the rate was set at 57 cents per bushel, or 70 percent of the parity price, which at that time was estimated at 81 cents per bushel. This rate was available to farmers in the commercial corn area who had planted within their acreage allotments. Loans were made available to cooperating farmers outside of the commercial corn area at 43 cents per bushel.

A total of 227,000,000 bushels was put under loan in 1938, and in addition a total of 30,000,000 bushels of corn under the 1937 loan was resealed. Corn under loan is stored on the farm where produced.

The 1938 wheat loan was offered to producers at rates averaging between 59 and 60 cents a bushel at the farm. This rate was approximately 52 percent of the parity price of wheat, which was \$1.14 at the time. The Agricultural Adjustment Act of 1938 directs a wheat loan when the farm price on June 15, or at any time thereafter during the marketing year, is less than 52 percent of parity, or if the July crop estimate exceeds a normal year's domestic consumption and export. While the June 15 farm price was above 52 percent of parity, the July crop estimate of 967,000,000 bushels was substantially above a normal year's domestic consumption and exports.

Wheat put under loan totaled about 85,700,000 bushels, which was stored in warehouses and on the farm.

Cotton loans in 1938 were required when cotton prices fell below 52 percent of parity. The rate was established at 8.3 cents per pound for seven-eighths-inch middling cotton, which was about 52 percent of parity. About 4,480,000 bales from the 1938 crop, more than one-third of the year's production, were put under loan. This, added to loan cotton from previous crops, brought the total under loan to about 11,000,000 bales.

MARKETING QUOTAS APPLIED TO FOUR COMMODITIES

Marketing quotas were in effect under the 1938 program for cotton, flue-cured, Burley, and dark tobaccos. The supplies of these commodities exceeded levels at which the Secretary of Agriculture was

directed to proclaim a quota, and the quotas were approved by more than two-thirds of the producers voting in referendums. A total of more than 2,000,000 farmers voted in the referendums which approved the quotas. In each case the approving vote was well above the required two-thirds majority of the voting producers. Penalties for excess marketings, as stipulated in the 1938 Act, were as follows: Cotton, 2 cents per pound; flue-cured and Burley tobaccos, 3 cents per pound, or 50 percent of the sales price if that is higher; and dark tobaccos, 2 cents per pound, or 50 percent of the sales price if that is higher.

V. ADMINISTRATION OF SPECIAL PROGRAMS

The Agricultural Adjustment Administration either carries out or participates in the administration of a number of special programs such as the range program, the Federal crop insurance program, and the naval stores program.

THE 1938 RANGE CONSERVATION PROGRAM

The range conservation program adapts the agricultural conservation program to the specific needs of the range as a means of obtaining conservation of range land and a more efficient and stable livestock production year after year. Essentially the range program encourages and assists the individual rancher in protecting the western grasslands. Under the program, operators, county committees, and qualified range technicians pool their knowledge and experience to work out sound improvements for each individual ranch.

The range program operates in the 17 Western States including all or a part of Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming. In this range area there are 728,000,000 acres of range land. About one-half of this range is under Federal, State, and county ownership.

In 1938 there were 189,851,257 acres of range land included in the 45,168 ranches which participated in the program. The total grazing capacity for this area was 8,483,640 animal units, or 22.4 acres per animal unit.

Under the range program, an allowance is established for each participating ranch. The allowance is determined on the basis of the number of animal units which the ranch is capable of carrying and the number of acres in the ranch. The rancher may earn this allowance by carrying out practices at rates of payment established for various range-improving practices included in the range conservation program. Payments represent only part of the cost of the conservation work. The remainder of the expense is borne by the stockman.

Range-building practices under the 1938 program were designed to accomplish the conservation of range land by two methods: First, by restoring grass; and second, by protecting grass.

The practices offered under the 1938 program followed the general outline of previous years, but placed more emphasis on the reseeding of range land by deferred grazing. Fencing and rodent control were dropped from the list of practices directly qualifying for payment.

The method of determining the range-building allowance was also slightly changed from the previous year, giving less weight to the grazing capacity of the unit than formerly. This gave to the more depleted units a somewhat higher allowance than the old method, and made range appraisals more of a management-guide figure. In order to induce a greater number of operators to initiate deferred grazing, the payment was materially increased with the requirement that certain range-building practices of local importance should be performed in addition to deferred grazing in order to qualify for the larger payment.

Under the 1938 program, ranchers restored grass by permitting the grass to reseed naturally through deferred grazing. Range was also reseeded artificially. During the program year, 28,077,000 acres of range land were reseeded naturally by deferred grazing. Ranchers who reseeded their range artificially used 1,373,000 pounds of approved seed.

Forage growth was increased by a series of practices which included control of water run off and development of watering places. By the construction of spreader dams and terraces, snow and rain water, which otherwise would run off, are held on the range land and the moisture permitted to soak in. Under the 1938 program, 2,256,000 cubic yards of earth were removed in the construction of spreader dams, and 7,713,000 linear feet of spreader terraces were constructed.

The principal water-development practice designed to improve distribution of stock on the range was construction of earthen tanks or reservoirs. Ranchers earned payment for moving 35,416,924 cubic yards of earth in their construction. Rubble masonry dams involving 73,195 cubic yards were constructed. Development of water supplies also was furthered by drilling wells and by developing springs or seeps. The wells involved 871,946 linear feet of digging, and the springs and seeps 652,456 cubic feet.

In addition to the construction of spreader dams and terraces, erosion on the range was retarded by contour listing, furrowing, and subsoiling on 158,032 acres, and contour ridging 58,687,000 feet in length. The latter practice was carried out only in Oklahoma and Texas.

In Oklahoma and Texas, the elimination of destructive plants was a practice included in the program to protect range grass from competition. In these two States, pricklypear and cactus were eliminated from 1,572,400 acres, mesquite from 155,000 acres, cedar from 630,950 acres, and lechuguilla from 74,500 acres.

As a means of improving fire protection on the range, 19,039,086 linear feet of fireguards were constructed.

In Nebraska, South Dakota, Oklahoma, and Texas, the planting of forest trees was included as a practice. A total of 4,805 acres was planted to trees and existing trees were maintained on 717 acres.

In 1939 no material change was made from the 1938 program. Some of the implied provisions of the 1938 program were made more specific. It was provided that no range-building payment was to be made to operators who failed to adopt or maintain a sound range-management program of a conservation nature. The policy of appraising individual grazing-capacities at a level that would maintain a sustained yield of forage was continued.

An important byproduct of the range conservation program is the opportunity it gives range operators to learn the value of practices which they otherwise would have to postpone or not do at all. In addition to this, the grazing-capacity appraisals made under the program for each participating unit furnish the ranchers with definite and scientifically gathered information concerning the forage on their ranches. On the basis of such information they are better able to determine what the stocking rate on their ranches should be to permit a sustained yield of forage and a gradual restoration of the more desirable range forage plants.

NAVAL STORES CONSERVATION PROGRAM

Conservation of timber resources, prevention of their uneconomic use and wasteful exploitation, and the improvement of fire protection in the naval stores region, were objectives of the 1938 conservation program for gum naval stores producers. The program was administered by the Forest Service and financed by funds made available to the Agricultural Adjustment Administration for conservation purposes.

Naval stores farmers were paid at the rate of 1 cent per "face" (chipped area of the tree from which the gum flows) for all faces worked under approved practices, and 5 cents per face for faces taken out of operation on small trees as required by provisions of the program. Damage to future usefulness for merchantable timber is not as serious in the case of large trees as it is in the case of small trees.

Payments earned under this program approximated \$997,000. Farmers participated in the States of Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina, and Texas.

CROP INSURANCE LINKED WITH AGRICULTURAL CONSERVATION

While wheat harvested in 1939 was the first crop to which the Federal crop insurance applied, much of the work of initiating the program was done during the time that the 1938 A. A. A. program was in effect.

The administration of the crop insurance program was closely integrated with that of the agricultural conservation program. The Federal Crop Insurance Corporation conducted policy-making, overhead administration, handling of the grain reserve, acceptance of insurance policies, and disbursement of indemnities. Field operations were conducted through the State and county farmer-committees of the A. A. A., which provided a ready-made, trained administrative force on a Nation-wide basis. These committees are in direct contact with all wheat producers and are intimately acquainted with local farming conditions and farm records, which are so important to the insurance program.

The principal aims in the first year of the crop insurance program were: (1) To obtain a sufficiently wide and representative participation to provide a thorough field-test of the plan, (2) to reveal any needs for improvement, and (3) to accumulate basic data on which future yield and rate structures might be built.

The first phase of the program consisted of taking applications from growers, from which insurable yields and premium rates could be calculated. More than 305,000 growers in 1,300 counties filed applications.

After receipt of applications, growers were notified of the amount of premium due, payment of which was required before certain deadlines in each area in order to make the insurance effective on the 1939 crop. Many growers were unable to meet their premium payments because previous years of crop losses had left them with little wheat, cash, or credit. However, an amendment to the Agricultural Adjustment Act, approved March 25, 1939, made it possible for growers to pay premiums with advances against payments to be earned under the agricultural conservation program. This amendment came too late to aid winter wheat growers, for whom deadlines for payment had passed, but helped spring wheat growers materially.

As of June 30, 1939, approximately 165,271 growers had paid premiums to insure wheat planted on 7,536,139 acres. More than 90 percent of the policies were for 75-percent coverage. Growers were insured a production of approximately 63,000,000 bushels by the policies in force. The average State policy ranged from 133 acres and 1,700 bushels per farm in Washington to 8.39 acres and 91 bushels per farm in Wisconsin. The national average was 45.6 acres and 379 bushels. Policies were in force in approximately 1,300 counties of 31 States.

The adjustment of losses sustained by insured wheat growers began in the late winter and early spring for winter wheat, and in the late spring for spring wheat. Adjustments were handled by county A. A. A. committees. Adjustments were made on three types of losses: (1) Total loss, where 100 percent damage had been sustained, could be adjusted and settlement claimed immediately after the loss occurred; (2) "substantially total" loss, where the condition of the crop was such that it would be impracticable for the grower to care for it further (in such cases, the potential yield could be appraised, and settlement requested; in both "total" and "substantially total" losses, the grower could obtain permission to put the land to other use after the loss had been adjusted); and (3) partial loss, where damage occurred but the exact amount could not be determined until the crop was threshed and the yield measured.

As of June 30, 1939, approximately 5,000 loss claims had been approved, representing more than 1,000,000 bushels due farmers in indemnities. The adjustment of losses to the 1939 crop could not be completed until late in the fall, following the threshing of the crop in the latest harvesting areas. It was estimated, however, that about 45,000 loss claims would be paid, representing total indemnities of approximately 7,500,000 bushels.

During its first experimental year, the insurance program was field-tested, and it demonstrated the possibilities of the plan on a Nation-wide basis. Some insurance was in force in practically every community in which wheat is an important crop. Enrollment was fairly representative of the various types of farming in all areas in which wheat is grown.

A longer base, earlier determination of yields and premiums, simplification of operation, and further recognition of the use of

improved farm practices are among the revisions made in the program for application to the 1940 wheat crop. There will be no policies written for 1940 insurance, the application serving as a contract after the premium is paid and the application accepted by the Federal Crop Insurance Corporation. The base period for the farm will be 9 years instead of 6, and a special procedure practice will be used to adjust the base period to allow for recently adopted improved farm practices which increase yields and lower risks.

As authorized by the Federal Crop Insurance Act, research is in progress in the Bureau of Agricultural Economics on insurance for cotton, corn, and citrus fruits, and it is anticipated that the work may be extended to other crops. The research work on cotton is furthest advanced.

FIELD WORK ON SUGAR PROGRAM

The field program with respect to the conditional payments to domestic sugar beet and sugarcane producers, authorized by the Sugar Act of 1937, is administered through the Western, North Central, and Southern Divisions for the sugar beet- or sugarcane-producing States covered by these divisions, and through the Insular Division for Hawaii and Puerto Rico. The work in the States, counties, and communities is done by the agricultural conservation committees. The act authorizes the use of these committees in carrying out the conditional-payment provisions of the legislation and provides for deductions from the payments to growers to cover the expenses of the committees when they are engaged in such work.

The conditions of payment include the nonemployment of child labor, payment of not less than the minimum wages fixed by the Secretary, prevention of soil erosion and improvement of soil fertility, marketing or processing within the farm's proportionate share, and in the case of producers who are also processors, payment for purchased cane or beets at rates not less than those established by the Secretary.

VI. COMMITTEES FACILITATE FARMER PARTICIPATION

As in the original agricultural adjustment and agricultural conservation programs, the local administration of the farm program under the 1938 Act and the general shaping of its provisions are in the hands of the farmers themselves. The acreage allotments and the quotas are made through county committees. Farmers are the administrators of the program in their counties.

The act specifies that farmers in every farming community in the United States hold annual elections of community committeemen and of community delegates to county A. A. A. conventions. These delegates elect officers of the county agricultural conservation associations and county committees.

At these election meetings, all owners and operators of farms in the community and county who are cooperating in any phase of the A. A. A. programs, or who signify their intention to cooperate by signing an application for membership in the County Agricultural Conservation Association, are eligible to vote.

COUNTY AND COMMUNITY COMMITTEES

Community committees are elected annually from membership of the county agricultural conservation associations. Each such committee is limited to three members, whose duties include: Preparing, checking, and approving forms used in connection with the programs; recommending acreage allotments and soil-building goals for farms in the community; assisting in checking performance, as a preliminary step in granting loans and payments; and helping county committees and extension agents in the educational work of the program. In 1938 there were 23,487 community committees, the members of which were paid at a per diem rate for time actually spent in the discharge of their duties.

County committees of three farmers each are elected by county delegates chosen by the community farmers at the same time the community committees are elected. The county committee elects a secretary, who may be the county agent; in case the county agent is not elected, he is nevertheless an ex officio member of the committee without power to vote.

The county committees review forms and other documents filed in the county in connection with the programs; apportion county acreage allotments among individual farmers in accordance with standards fixed by the act; fix soil-building goals; supervise preparation of applications for payments and loans; and perform general county administrative work. In 1938 there were 3,006 county committees in the United States. Members of these committees are paid on a per diem basis.

FUNCTIONS OF STATE COMMITTEES

The State committees are composed of farmers and the State director of the Extension Service, who is always a member. The farmer members, usually four in number, are appointed by the Secretary of Agriculture, upon recommendation of the Administrator, who generally consults with the State Extension director and officials of the principal farm organizations before making his recommendations.

The State committees are in direct contact with the Agricultural Adjustment Administration headquarters in Washington. They are in general administrative charge of the program in the State. Within the framework of law and national A. A. A. policy, and keeping always in close touch with county and community sentiment, they determine State policies and direct the application of the program in the State. Their work, in part, is to review county recommendations for acreage allotments and soil-building goals; hear appeals from decisions of county committees; advise the regional director on general policy within the State; outline soil-building and range-building practices; and recommend changes in the program, as well as assist in the development of new programs.

The community meetings, at which the farmers' attitudes are first recorded, offer farmer-members opportunity to learn what administration of the program is costing them. County administrative costs are paid by the Association members on a pro rata basis.

Throughout the history of the A. A. A., farmers have made recommendations which have helped in the formation of the programs, and many of the practices which have been incorporated in the program have been the result of these farmer-recommendations.

VII. CHANGES IN PROGRAM FOR 1939

During the period covered by this report, the 1939 program was formulated and was put into effect with the plantings for the 1939 crop.

The year 1939 was the first one in which the program made possible under the Agricultural Adjustment Act of 1938 could be fully effective.

While final details are not yet available, the picture for 1939 is sufficiently clear to make a preliminary appraisal in this report. Participation in the 1939 program has been the highest in the history of the A. A. A. farm programs. Preliminary estimates indicate that 82 percent of the cropland of the Nation is included in the farms of those participating which represent 72 percent of the farms of the country.

For cotton and corn there has been a substantial compliance, matching or bettering that of 1938. Wheat farmers, who in 1939 had their first opportunity to use the acreage allotments of the new program, have made the greatest adjustment in acreage in any one year in our history, lowering the wheat acreage by approximately 19 percent. Tobacco farmers, who in December 1938 failed to approve by a sufficient majority a proposal for marketing quotas for 1939, increased their acreage substantially, mainly in the flue-cured areas, with resulting large supplies and lower prices.

On the side of soil-building practices and the wider use of soil-conserving crops, preliminary estimates indicate a substantial increase in this part of the program.

The 1939 program was approved in November of 1938 and is similar in essentials to the program in effect during the previous year. It continues to provide for soil conservation, for a level of agricultural production sufficient to meet the country's requirements and all possible exports, and for adequate reserves—with the individual farmer participating by seeding crops within his acreage allotments and by carrying out soil-building practices.

The 1939 program is different from that of the preceding year chiefly in that it provides larger rates of payment to producers of corn, wheat, and rice; payments are limited to a maximum of \$10,000, in accordance with provisions of the Soil Conservation and Domestic Allotment Act, as amended; and the soil-depleting goals are about 5,000,000 acres smaller. The 1939 rates of payment are comprised of the agricultural conservation payments and the price-adjustment payments.

The program provides for the distribution of price-adjustment payments totaling \$212,000,000, appropriated by the Price Adjustment Act of 1938, among cotton, wheat, corn, tobacco, and rice producers who remain within their acreage allotments. The payments are based to a large extent on the difference between farm price and parity and cannot exceed the amount by which the average price is

less than 75 percent of parity. Since tobacco prices have been above 75 percent of parity, no price-adjustment payments on this commodity have been made. The price-adjustment payments are made on the normal production of the allotted acreage at the following rates: Cotton, 1.6 cents per pound; corn, 6 cents per bushel; wheat, 11 cents per bushel; and rice, 12 cents per hundredweight.

Price-adjustment payments are in addition to the 1939 soil conservation program payments for which \$499,560,000 was appropriated under the Department of Agriculture Appropriation Act for the fiscal year ending June 30, 1940. The rates at which the conservation payments are distributed among producers of various commodities have also been revised. The rate for wheat, which was 12 cents per bushel under the 1938 program, was set at 17 cents per bushel; for cotton, 1.8 cents per pound; for corn, 9 cents per bushel; tobacco, 0.8 to 1.5 cents per pound; potatoes, 3 cents per bushel; peanuts, \$3.00 per ton; and rice, 9 cents per hundredweight. These rates are paid on the normal yield per acre of the acreage allotment. The two payments for the four crops make total payments as follows: Wheat, 28 cents a bushel, cotton 3.4 cents a pound, corn 15 cents a bushel, and rice 21 cents a hundredweight.

The goal for total acreage of soil-depleting crops under the 1939 program was established at 270,000,000 to 285,000,000 acres. The goal for the previous year was 275,000,000 to 290,000,000 acres of soil-depleting crops. The lower total goal for 1939 is accounted for chiefly by the smaller acreage goal for wheat.

The maximum limitation on payments, provided under the Agricultural Adjustment Act of 1938 as effective beginning in 1939, restricts to \$10,000 the soil-conservation payment that can be made to any individual, partnership, or estate with respect to any farms located within a single State, Territory, or possession. In the case of persons other than an individual partnership, or an estate, the total payment is limited to \$10,000.

An effort also has been made under the 1939 program to give increased encouragement to the production of food and feed for home use in areas where there is ordinarily a deficit of such production. To that end the land used for home gardens in these areas could be excluded in calculating the soil-depleting acreage for the farm.



CHAPTER 3

THE PROGRAM IN THE WESTERN REGION

The Western Region has a number of characteristics which distinguish it from the remainder of the country and which at the same time contribute to its farm problem. These characteristics include wide variations in climate, topography, and altitude, and the recent frontier status. Other factors, such as its large amount of irrigation farming and its great variety of crops, have important effects upon the area's farm problem.

The Region includes the following States: Arizona, California, Colorado, Idaho, Kansas, Montana, New Mexico, Nevada, North Dakota, Oregon, Utah, Washington, and Wyoming.

Much of the Region receives less than 20 inches of rainfall a year, a climatic factor which necessitates constant conservation of grass and water if productivity is to be maintained.

The frontier has only recently passed from the Western Region. Here the last of this Nation's free land was available, and here agriculture found its greatest expansion in the boom era that so directly contributed to the development of the farm problem.

Wheat and livestock, the Region's principal agricultural products, reflect two of the major characteristics of the area. Wheat is a crop which can be grown successfully in a comparatively dry climate and to which new land readily can be turned. The western livestock industry is rooted in the Region's extensive range area, where for years it found an ever-extending frontier. The grass on this range, because of the climate and the type of soil, is particularly nutritious.

But while wheat and livestock are foremost, farmers in the Western Region raise about 200 commercial crops, varying from small grains in the dry farming areas to such highly intensified crops as fruits and vegetables in irrigated areas. Production methods vary from planting and harvesting three or four crops in a single year on the same land to cropping every other year.

The national agricultural problems of wasted soil in overproduction and of shrinking farm income have been of as much concern to the Western Region as to the country as a whole. In fact, these problems often have been intensified for the Western Region farmer and rancher and have especially emphasized the need for soil conservation.

In this Region, which is so predominantly agricultural, the problem is one which affects not only the people who make their living directly from the land, but also the thousands who serve the farmer and the rancher in the small towns and cities. But it is a problem which extends farther—to the metropolitan centers whose industries and laborers look to western agriculture for markets, and to consumers

throughout the Nation who at all times need bread, meat, wool, fruit, and countless other products.

To answer the problem, the A. A. A. programs provided the farmers themselves with the machinery for balancing their operations as a step toward soil conservation and a fair income. In the Western Region, the program affected mainly wheat, corn, general soil-depleting crops, potatoes, cotton, and rice, with special provisions covering soil-building and range-building practices.

PARTICIPATION IN 1938

There was a greater degree of participation in the 1938 program than in the 1937 program, as measured by the number of farms, number of payees, acres of farm land, acres of cropland, money paid to farmers, and units of soil-building practices carried out.

Applications for payments were filed in 1938 representing about 600,000 of the 906,000 farms for which detailed information was filed. The participating farms covered an estimated total of 136,522,000 acres of farm land. This is in addition to the approximately 90,000,000 acres of range land on participating ranches in the Western Region and was about 64 percent of the 214,719,000 acres of farm land included in the 906,000 farms for which information was filed. On the basis of cropland, 71 percent, or an estimated total of 72,000,000 acres, was included in application farms.

NET PAYMENT TO PRODUCERS

The total estimate of the net payments to producers in the Western Region under the 1938 program is \$67,400,000 and nearly 98 percent of this amount had been certified to the General Accounting Office for payment as of October 20, 1939. Net payments in the Western Region in 1937 were \$54,543,000, as compared with \$65,398,000 in 1936.

I. THE PROGRAM FOR WHEAT

The early wheat programs in 1933, 1934, and 1935 were primarily programs of adjustment. With the passage of the Soil Conservation and Domestic Allotment Act of 1936 the emphasis was shifted to soil conservation. The adjustment of production was made incidental to conservation. The Agricultural Adjustment Act of 1938 was enacted to broaden and strengthen the program, but the wheat acreage adjustment provisions of the new act were not available in time to be applied to much of the 1938 crop.

THE NATIONAL WHEAT ACREAGE ALLOTMENT

The starting point in the new program for wheat is the national wheat acreage allotment made annually.

Allotments are set to keep the Nation's wheat supply equal to a year's normal domestic consumption and export with 30 percent for reserve. This is about 100,000,000 bushels more than the average carry-over for the 1920's and is a safeguard against low yields resulting from unfavorable weather such as was experienced in the middle 30's. The foundation for the Ever-Normal Granary for wheat is laid in this manner.

The 1938 national wheat acreage allotment of 62,500,000 acres did not materially affect 1938 seedings by wheat farmers. A large part of the wheat for harvest in 1938 had been seeded when the new act became law. The allotment was made only for the purpose of computing payments to be made to farmers who complied with the general requirements of the 1938 conservation program.

The national allotment was broken down into State and then county allotments on the basis of the average acreage during the last 10 years, including acreage diverted under the adjustment and conservation programs, and with adjustments for abnormal weather and for trends. In the counties, the allotments for farms were made by county committees on the basis of tillable acreage, crop rotation practices, type of soil, and topography.

Before seeding for the 1939 crop began in the fall of 1938, the acreage allotment machinery was available for use. A high percentage of compliance resulted. Wheat farmers throughout the country reduced their seedings 19 percent under the 1938 figure. Although the 64,595,000 acres seeded to wheat exceeded the 55,000,000-acre allotment, preliminary estimates indicate that the acreage harvested in 1939 was about 54,000,000 acres.

THE WHEAT PROGRAM IN THE WESTERN REGION

Of the 62,500,000 acres in the 1938 national wheat allotment, 32,786,828 acres were allocated to the wheat farms in the Western Region. About 74 percent, or 24,200,000 acres, of the Region's wheat acreage allotment was included on participating farms. The number of application farms on which wheat allotments were established was about 281,000. From 40 to 45 percent of the payments made to farmers in the Western Region were for compliance with the 1938 wheat allotments.

THE WHEAT LOAN PROGRAM

The Agricultural Adjustment Act of 1938 provides for a wheat loan as a measure to give the wheat farmer greater freedom in marketing by enabling him to store his wheat when the price is low or the supply is excessive.

Loans are made only to cooperators in the program except when marketing quotas are in effect. Then loans would be offered to non-cooperators at 60 percent of the rate to cooperators. Loans to non-cooperators are made only on that part of their production that would be subject to a penalty if marketed. However, in years when the supply level is so high that marketing quotas would be applicable under the Act, loans are not to be made if more than one-third of the wheat farmers voting in a referendum are opposed to such marketing quotas.

The first loans under the 1938 loan program were made in August 1938. The deadline for filing applications was December 31, 1938. The loan rates offered farmers at individual points were calculated from basic rates established for the principal terminal markets with differentials for freight and handling charges for interior points.

Reports on the 1938 loan program show that approximately 85,700,000 bushels of wheat were stored under loan. The Commodity

Credit Corporation and other lending agencies advanced a total of approximately \$49,000,000. Loans on about 3,900,000 bushels of wheat stored on farms were extended for a 10-month period to March 31, 1940. A total of approximately 15,700,000 bushels was turned over to the Commodity Credit Corporation in settlement of loans. The remainder of 66,100,000 bushels was redeemed by the borrowers. Most of the 15,700,000 bushels which was turned over to the Commodity Credit Corporation was sold to the Federal Surplus Commodities Corporation and added to the stocks available for export or distribution to relief agencies.

The 1938 loan program demonstrated the effectiveness of farm storage as part of the program. About 25 percent of the collateral was stored in approved granaries on farms of the borrowers. Only a very small percent of these loans had to be called because of wheat going out of condition. This record indicates that farmers fulfilled their responsibility of protecting the collateral from deterioration.

THE WHEAT EXPORT PROGRAM

The wheat export program operated as an important measure in the over-all national wheat program.

The wheat export program was launched in August 1938 as an emergency measure to hold for the United States a fair share of the world market for wheat. In 1938, the world had a record wheat crop. Importing countries which had taken as much as 950,000,000 bushels in 1928-29 were buying less than 600,000,000 bushels. In the face of this situation most of the exporting countries were adopting measures to help move their wheat into world trade.

Under the 1938-39 export program, the Federal Surplus Commodities Corporation purchased surplus wheat at the market price and sold the wheat to exporters at a price enabling them to compete for foreign markets.

From July 1, 1938, to June 30, 1939, approximately 118,000,000 bushels of United States wheat and flour were sold for export, of which 107,000,000 bushels were actually exported.

Of the total sales for export, the sale of about 94,000,000 bushels was assisted by the Federal export program. Of this, 70,000,000 bushels were grain and the remainder flour.

THE WHEAT MARKETING QUOTAS

The parts of the 1938 Act which provide for substantial wheat carry-overs recognize that crops may be short in some years and that preparations must be made for such an emergency. The act also recognizes that there may be emergencies caused by surpluses. For these emergencies the act provides marketing quotas. If in any year the total supplies, made up of the crop and carry-over, exceed 135 percent of a normal year's domestic consumption and exports, marketing quotas for that year are proclaimed by May 15, subject to approval of farmers voting in a referendum. No quota is effective for any crop unless two-thirds of the farmers voting in a referendum favor the quotas. If the supply situation changes after a quota is established, the quota may be increased, or suspended altogether, and in the event of a national emergency the quota may be suspended.

There was no 1938 wheat marketing quota, as the act provided that no quota for wheat would go into effect during that year unless parity payments were made available prior to May 15, 1938. Funds were not made available for these payments prior to that date.

On May 16, 1939, the available statistics of the Department of Agriculture indicated that the total supply of wheat for the 1939-40 marketing year would be 974,000,000 bushels. Later estimates indicated a total supply of 994,000,000 bushels.

The 1939 marketing quota level established under the act was 1,021,000,000 bushels, which is 135 percent of 756,000,000 bushels, a normal year's domestic consumption and exports. Since the total supply did not exceed the marketing quota level, no marketing quota for wheat in 1939 was proclaimed.

CROP INSURANCE PART OF EVER-NORMAL GRANARY FOR WHEAT

Working with the acreage allotment, loan, and marketing quota provisions, crop insurance¹ is an important part of the Ever-Normal Granary for wheat. Through the Federal Crop Insurance Corporation farmers may insure wheat yields against unavoidable hazards. In this way the farmers of the Nation can place wheat from a good crop year in the Ever-Normal Granary as a protection against the years when crops are poor.

The crop insurance provisions of the new act first became effective for the crop planted for harvest in 1939.

PROGRESS UNDER 1938 WHEAT PROGRAM

Although the new act did not become law until February 1938, wheat farmers made use of three parts of the farm program to improve their supply situation during 1938-39. These measures were the loan and export programs on their 1938 crop and the acreage allotments on seedings for the 1939 crop.

The year began with a carry-over of 154,000,000 bushels on July 1, 1938. This carry-over, together with the 1938 crop of 931,000,000 bushels, made a supply for 1938-39 of 1,084,000,000 bushels. This huge supply, which was about 375,000,000 bushels in excess of domestic consumption, continued the downward price trend begun under the pressure of the large 1937 crop and the mounting world supplies.

By the beginning of the 1939-40 crop year, United States wheat farmers had brought the supply more in line with domestic requirements, export outlets, and the reserve level provided under the Ever-Normal Granary. The 1939-40 supply of 993,000,000 bushels as estimated on October 1, 1939, was about 100,000,000 bushels below that for the previous year. Also the domestic price of wheat, in the face of the most depressed world wheat situation in history, has been as high as 35 cents above the normal relationship with the world level.

But prices received by growers during the time the loan and subsidy programs were in effect reflected not only a change in spread between domestic prices and prices in other countries, but also a change in the general wheat price level. For example, in August

¹ The crop insurance program is discussed in detail in ch. 2, beginning on p. 24.

1938, the average wheat price to United States growers was 51 cents when Liverpool was 85 cents, or the farm price in the United States was 34 cents below the market price at Liverpool. In May 1939, the price to United States growers averaged 63 cents and prices at Liverpool also averaged about 63 cents. The spread had changed about 34 cents in favor of the American wheat grower.

II. THE 1938 RANGE PROGRAM IN THE WESTERN REGION

About 14,200 applications for participation in the range conservation program were filed in the Western Region during 1938. These ranches covered an area of more than 88,000,000 acres of range land and 564,000 acres of mountain meadowland.

The number of acres which were examined in order to establish range-building allowances has steadily increased each year since the inauguration of the range program. The acreage increased from 49,039,000 acres in 1936, to 79,127,000 acres in 1937, to more than 88,000,000 acres in 1938, and to an estimated 112,393,000 acres in 1939.

From the standpoint of amount of payment earned, the construction of earthen tanks or reservoirs was the most important single practice in 1938. This practice accounted for an estimated total of 43 percent of the payments earned.

More than half the participating ranches contributed to restocking of the range with grass by carrying out deferred grazing. They earned more than a third of the range-building payments for this practice. About four times as much range land was reseeded artificially in 1938 as in 1936.

Practices which are growing in importance in the Western Region and which are continuing to receive greater emphasis from ranchers each year are those dealing with erosion and runoff control. While these practices are still in limited demand and only about 500 ranches in six States were improved by contour listing, furrowing, or subsoiling, the acreage of range land on which this practice was carried out has tripled each year of program operation.

A measure of the range program's effectiveness has been apparent in 1939. In many range areas where drought has been severe, the range program has played an important part in enabling ranchers to retain their livestock. Under similar weather conditions in 1934, many of the same ranchers were forced to sell and ship their breeding stock because of lack of feed and water.

III. SOIL-BUILDING PHASES OF THE PROGRAM

Under the 1938 program soil-building practices were carried out on more than 331,000 farms or on about 71 percent of the total number of application farms in the Western Region.

The most widely adopted practice was the seeding of legumes and grasses. More than 4,000,000 acres were seeded in the Western Region under this practice in 1938.

Next in importance from the standpoint of number of units carried out, participating farmers turned under green-manure and left cover crops on nearly 4,500,000 acres.

Other widely used practices during 1938 were:

Perennial grasses and legumes renovated on about 800,000 acres; summer fallow protected on about 5,800,000 acres; contour farming carried out on about 690,000 acres; contour or basin listing carried out on about 160,000 acres; forest trees planted or maintained on 22,036 acres; natural reseeding carried out on about 310,000 acres of pastures; and about 1,800,000 pounds of seed used in the artificial reseeding of pastures.

About 117,000 tons of straw, 40,000 tons of lime, 18,000 tons of superphosphate, and 19,000 tons of gypsum were applied under the program.

RESTORATION LAND

A total of 1,812,000 acres was designated in the Western Region in 1938 as restoration land,² which is cultivated land that should be restored to grass. Applications for payment covered practices carried out on more than 91 percent of this total.

SUGAR PROGRAM

More than 99 percent of all of the sugar-beet growers in the Western Region complied with the requirements of the sugar-beet program in 1938 and thereby became eligible for 1938 sugar-beet payments. There were a few growers who did not meet the farming-practice requirements and a small number who did not meet the wage-rate requirements.

Payments in connection with the 1938 sugar-beet program in the Western Region are nearly complete. A total of 28,389 applications had been forwarded to the General Accounting Office for payment as of September 30, 1939. These applications amounted to \$15,848,000.

A total of about 620,000 acres of sugar beets was planted for harvest on participating farms in the Western Region in 1938. Payments were approved in connection with the abandonment of 21,472 acres because of crop failure.

Practices carried out in the Western Region under the 1938 sugar-beet program were: 456,033 acres of legumes or grasses maintained; 121,993 acres of legumes or grasses seeded; 104,143 acres of green-manure and cover crops seeded; 181,893 acres credited for application of animal manure; and 158,079 acres credited for application of commercial fertilizer.

IV. THE PROGRAM FOR OTHER CROPS

The diversity of crops in the 13 States of the Western Region called for the application of other phases of the A. A. A. than those dealing with wheat, the range, and general soil-building practices. However, most of these measures were applied only in comparatively small areas.

COTTON IN THE SOUTHWEST

In irrigated areas of California, Arizona, and New Mexico, cotton production is a new and developing industry. The chief concern

² The restoration land program is discussed in ch. 2, p. 19.

here is for a program that may reflect production trends while calling for the inevitable adjustments which must be made in the Nation's cotton production. In the 1938 act, allotments are based on recent periods and allowance is made for trends in production as a protection against arbitrary acreage restrictions in any area.

Eighty-seven percent of the total cotton allotment for the Western Region was on farms for which applications for payments were made.

CORN IN KANSAS

Provisions of the act dealing with corn were applied in the "commercial corn-producing" counties of Kansas. These provisions included acreage allotments and storage loans.

Application farms had 31 percent of the corn acreage allotment distributed to all farms in the commercial corn area in eastern Kansas.

RICE IN CALIFORNIA

Rice, in the Western Region, is a crop grown only in California. In general, the A. A. A. provisions for rice follow the outline of the provisions designed for wheat and corn, but apply to the special problems of rice farmers.

Seventy-three percent of the rice acreage allotment for the Western Region was represented on application farms.

TOBACCO IN KANSAS

The tobacco program affected a small area in Kansas, the allotment being 556 acres. Forty-two percent of this was on application farms.

POTATO PROGRAM

All but two States in the Region applied the potato program which utilized allotments as a means of stabilizing the acreage in commercial potato-producing areas. The allotment for the Region totaled 416,011 acres. About two-thirds of the potato allotment distributed to farms in the Western Region was represented on application farms.

CHAPTER 4

THE PROGRAM IN THE NORTH CENTRAL REGION

The North Central Region is composed of 10 Midwestern States, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin. As a group, these States are characterized by fertile soil and a climate which makes them adaptable for food production of many kinds; by a topography adapted to comparatively large-scale and at the same time intensive farming; by a network of rivers, railroads, and highways which facilitates the exchange of agricultural and industrial products; by large cities, many of which are primarily concerned with the processing of products which come from or will be used on the farms. It is a region in which the interdependence of agriculture and industry is marked.

FARM PRODUCTS OF THE REGION

Agriculturally speaking, the Region is primarily noted for its Corn Belt, in which is produced about 65 percent of the Nation's corn supply. The Corn Belt, classified as the "commercial corn-producing area" by the Agricultural Adjustment Act of 1938, covers some 60 percent of the area in the Region and is the only area in the United States which produces surplus corn. The major portion of this corn is converted into pork, beef, mutton, and other meat products in the area, and often on the same farm on which it is produced. Three-fourths of the Nation's pork supply comes from the Corn Belt. The prices of corn and livestock products produced from corn are the determining factors in the economic welfare of the Region—both on the farm and in the city.

In the Lake States to the north of the Corn Belt is found the major dairy area of the Midwest and the chief butterfat-producing region of the United States. This area is economically dependent upon dairy enterprise with a smaller proportion of its income derived from general farming and truck gardening. Roughly 25 percent of the Nation's beet-sugar supply comes from the North Central Region.

To this dairy area of the Lake States the price of corn and the welfare of the corn farmer are extremely important, even though indirectly. A collapse of corn prices, followed by a decline in meat prices, causes corn farmers to seek other outlets for their grain. An expansion of the dairy enterprise in the Corn Belt is often the result.

West of the Corn Belt, in western South Dakota and Nebraska, grazing and wheat farming are the chief forms of agriculture. Here

again, particularly to the cattlemen, the price of corn and the ability of the corn farmer to stock his feedlots with western cattle are of primary importance. The stability of corn supplies and prices is a vital factor in profitable livestock production.

In the other parts of the North Central Region—southern Missouri and eastern Ohio—general farming is of chief importance. In several counties of southern Missouri, cotton is grown on a large scale. Tobacco is produced in several counties in Missouri, Illinois, Indiana, Ohio, Minnesota, and Wisconsin.

EXTENT OF DAMAGE FROM SOIL EROSION

The total area of farm land in the North Central Region is about 485,000,000 acres, of which about 4,000,000 acres are in mountains, mesas, and badlands. About 270,000,000 acres, or 56 percent of the total acreage in farm lands, have not suffered erosion to any great extent. Nevertheless this land not subject to erosion has suffered serious depletion from continuous overcropping, as has all the cultivated land of the Region. Better land-use, including longer rotations that provide protective covering, is imperatively needed to conserve this land.

Erosion has destroyed for tillage about 10,000,000 acres; another 40,000,000 acres have suffered severe erosion; in addition, 155,000,000 acres, or 32 percent of the total farm-land acreage, have been moderately eroded.

With land surface in the Region more continuously bared of a protective covering than ever before, erosion has become a more serious problem since the wartime expansion of crop acreages from 1914 to 1918. That overcropping greatly accelerates erosion is evidenced in the older farming areas of the United States, and a large percentage of the farm land in the North Central Region may soon be worthless for cropping unless farming practices are altered to combat erosion.

I. TRENDS IN CORN AND HOG PRODUCTION

The trends of corn and hog production since 1933 have had an important bearing on the development of the 1938 program in the North Central Region.

On January 1, 1933, there were 62,000,000 head of hogs on farms, the largest number since 1924, and one of the largest corn crops in our history had just been harvested from 110,000,000 acres. Prices of both commodities were near an all-time low. Removal of these price-depressing surpluses was the problem of the moment.

In both 1934 and 1935 about 1,000,000 corn-hog contracts were signed. In 1934 the contracts called for approximately 25 percent reduction in the production of corn and hogs. Drought, however, caused crop failure, brought heavy liquidation in livestock numbers, and completely altered the prospect for corn and hog producers. The number of pigs produced in 1934 was about 23,000,000 head less than the 1927-33 average and the corn crop amounted to only 1,400,000,000 bushels. Normal yields on the 1934 planted acreage would have yielded 2,200,000,000 bushels.

Under the 1935 contracts about 11,500,000 corn acres were contracted, but the contracts called for hog production about 15 percent larger than the 1934 contracts. Hog numbers on January 1, 1936, were 42,500,000 head, compared to 62,000,000 head 3 years before.

From 1932 to 1935 the average annual farm price of hogs had increased from \$3.34 per hundredweight in 1933 to \$8.63 in 1935, while the farm price of corn had increased from 28 cents to 58 cents per bushel.

The cash farm income from hogs alone increased nearly 60 percent from 1932 to 1936. In the fall of 1935 farmers voted 6 to 1 for a new program for the coming year.

But on January 6, 1936, the Supreme Court decision in the Hoosac Mills case invalidated the production-control features of the Agricultural Adjustment Act. In no program since 1935 has there been any provision to adjust hog supplies directly. A major shift was made in 1936 to a more direct conservation program under the Soil Conservation and Domestic Allotment Act of 1936.

The advisability for such a program in the Corn Belt is found in the recommendations of both county planning committees and State specialists. Both groups recommended shifts from corn and other major soil-depleting crops to hay and pasture, designed to check erosion and depletion and remove some of the poorer land from cultivation. County committees recommended that corn acreage be 14 percent lower than it might be expected to be without a farm program, and the State specialists suggested an acreage 20 percent lower. Both groups recommended a sharp increase in the acreages of soil-conserving crops.

Approximately 71 percent of the total cropland in the North Central Region was included in participating farms in 1936, and 16 percent of the total payments were made for carrying out soil-building practices. Ninety-three percent of the soil-building practices was the establishment of new seedings.

With another record-breaking drought in 1936, corn production was again a billion bushels short of what it might have been with normal yields on the planted acreage, and hog numbers were even further reduced by the forced liquidation in many parts of the western Corn Belt. The season's average price of corn passed the dollar mark for the first time since 1924, and the farm value of the year's crop, short as it was, was the highest since 1929. The farm price of hogs was also the highest since 1929.

The average annual acreage of corn in the United States in the period 1928-32 was about 103,400,000 acres. The acreage harvested in 1936 was 93,020,000 acres. The corn acreage goal for 1937 under the conservation program was set at about 94,137,000 acres. However, the drought experience of 1936 and the relatively high prices at which the short 1936 crop was harvested caused noncooperating farmers to expand their corn acreage considerably in 1937. The planted acreage that year amounted to about 96,500,000 acres and the crop itself amounted to 2,651,000,000 bushels, whereas it had been calculated that a crop of 2,300,000,000 bushels would be adequate for feed requirements and a substantial carry-over.

Under the program, however, more than 8,000,000 acres of cropland in the North Central Region were diverted from soil-depleting to soil-conserving crops and uses. Also, farmers in the North Central Region earned payments for establishing nearly 16,000,000 acres of new seedlings in 1937.

Consequently, it was with a surplus of cheap corn, and with hog numbers responding to the favorable feeding ratio by rapid increases, that the Agricultural Adjustment Act of 1938 went into operation in the North Central Region.

In addition to surplus corn and rapidly increasing hog numbers, other factors had to be taken into consideration in the first year of operation under the new farm act in 1938 in the North Central Region.

TECHNOLOGICAL ADVANCEMENTS

From the standpoint of farm equipment, the advancements of the last few years have been of great importance to Corn Belt farmers. The development of the all-purpose tractor has greatly increased farming efficiency and made it possible for the farm operator himself to tend constantly larger acreages. Likewise, improved field equipment of other kinds is making it possible for the average Corn Belt operator to farm his land more intensively than in the past. He finds it possible to prepare better seed beds, to carry out the various farming operations at more nearly the most opportune time—in general, to do a better job of farming. The average Corn Belt farmer is better equipped to exploit his land than he was previously. In other words, by expending the same energy he is able to produce bigger yields on larger acreages, thereby more rapidly depleting the soil.

The use of hybrid seed corn is also a large contributing factor to this same situation. It is estimated that 30 percent of the corn grown in the Corn Belt in 1938 was from hybrid seed which increased yields by from 7 to 15 percent. In 1939, 43 percent of the corn production of the Corn Belt was grown from hybrid seed. In 1938 half the corn in Iowa originated from hybrid seed, and in 1939 this was increased to 75 percent. Here again the farmer is confronted not only with the pressure of constantly expanding supplies, but also with the increased soil depletion accompanying bigger yields.

A similar situation prevails with respect to the production of hogs. During the last 15 years the number of pigs saved per litter has increased from five and one-fourth to six and one-third. This is a 20 percent increase in efficiency.

These marked increases in the efficiency of corn and hog production are of great significance and benefit, yet they intensified some of the older problems of the Corn Belt farmer. Consequently, it was in the face of rapid technological advancements in both major Corn Belt commodities, as well as with superabundant supplies of corn, that the new farm act faced its first year of operation in the Middle West.

II. CORN AND THE 1938 ACT

The corn acreage goal for the United States under the Agricultural Conservation Program for 1938 was 94,000,000 to 97,000,000 acres. In

line with this goal, the Secretary of Agriculture established a corn allotment of 40,500,000 acres for the commercial corn-producing area. This allotment was in turn apportioned among the corn farmers of 566 commercial corn counties in 12 States on the basis of their previous corn acreage and the fertility and topography of the soil.

For the purpose of establishing this national allotment, a normal year's domestic consumption and exports of corn was determined to be 2,393,000,000 bushels and the reserve supply level was determined to be 2,632,300,000 bushels. It was estimated that the carry-over at the beginning of the 1938-39 marketing year would be 340,000,000 bushels and that the production of corn needed from the commercial corn-producing area was 1,284,000,000 bushels.

For the 10-year period, 1928-37, the average annual planted acreage in the commercial area had been 49,205,242 acres. In 1937 the planted acreage for the commercial area had mounted to 47,102,450 acres, roughly 7,000,000 acres above the 1938 allotment. However in 1938, under the new act, farmers in the commercial area adjusted their plantings to 43,184,270 acres, somewhat above the allotment but sharply under the 1937 acreage. The 1938 average yield for the commercial area was 34.3 bushels per acre, compared to the 10-year (1924-33) pre-drought average of 31.7 bushels per acre. The actual yield resulted in a 1938 total production for the commercial area of 1,559,689,276 bushels.

For the United States as a whole, the 1938 planted acreage was 93,257,000 acres compared to the national A. A. A. goal of 94,000,000 to 97,000,000 acres. The 1938 country-wide yield was, for the second consecutive year, abnormally high at 27.7 bushels per acre. The 1924-33 average was 24.8 bushels per acre. The production for 1938 was 2,542,000,000 bushels or some 160,000,000 bushels more than might have been produced at normal yields on the acreage allotments. However, the crop was nearly 300,000,000 bushels smaller than would have been produced on the average corn acreage.

III. CORN LOANS

With the total 1939 supply of corn at approximately 2,900,000,000 bushels, and hog numbers still nearly 5,000,000 head under the 10-year (1928-37) average, corn loans became increasingly important in the fall of 1938.

Corn Belt farmers have had much experience with Federal corn loans. The first corn loan was made in the fall of 1933, when some 271 million bushels of corn were put under seal as farmers took advantage of the 45-cent per bushel loan in preference to selling on a depressed market. The 1933 corn loan marked the beginning of the Ever-Normal Granary that farmers of the United States now value so highly. Since that time some corn has been placed under Government loan each year, with the total up to the fall of 1938 being some 370,000,000 bushels. Of that 370,000,000 bushels, all but about 27,000,000 bushels have been redeemed or placed under renewal loans by farmers at the time the various loans have fallen due.

In 1937 about 46,000,000 bushels of corn were stored as collateral for a 50-cent per bushel loan from the Commodity Credit Corporation. These loans were due on November 1, 1938. On August 27, 1938, with the farm price of corn still below the loan rate of 50 cents per bushel, and prospects good for a large 1938 crop by that time, a loan renewal program was offered to those farmers who had corn under seal. Farmers were given the choice of turning their corn over to Commodity Credit on November 1, or resealing it until the following August 1 at 57 cents per bushel. The majority chose to reseal their corn at the 57-cent rate, and nearly 30,000,000 bushels thus remained on the farms during the following winter and summer.

In accordance with the specifications laid down in the Agricultural Adjustment Act of 1938, the loan rate on 1938 corn was determined to be 57 cents per bushel on farm-stored corn in the commercial corn area. Outside the commercial corn area loans were available to co-operators at 75 percent of the rate in the area, or 43 cents per bushel. In all cases loans were available only to those farmers who had planted within their corn acreage allotments or within their total soil-depleting allotments if outside the commercial area.

Loans became actually available to farmers in early December 1938 and continued to be available until March 1, 1939. During this time loans were negotiated, either through Commodity Credit or local banks, on more than 227,000,000 bushels of the 1938 corn crop. The average loan was on 1,000 bushels of corn for \$570 bearing 4 percent interest and due on August 1, 1939.

Under the present act corn loans are offered to cooperators every year if the crop is greater than a normal year's domestic needs and exports, or if the farm price of corn falls below 75 percent of parity. The act forbids loans, however, if marketing quotas are rejected in a producer-referendum. If marketing and storage quotas are in effect, loans are offered to cooperators in the area at the full rate, and to noncooperators in the area at 60 percent of the full rate and only on the amount they are required to store.

IV. THE RANGE PROGRAM

The range program applies to two of the States in the North Central Region, South Dakota and Nebraska, both of which contain large areas devoted almost entirely to livestock grazing. This program has been very popular with ranchers.

Most of the western half of South Dakota consists of range land and the State ranks second only to Texas in the number of range program participants. More than one-fourth of the participating ranch land in South Dakota was reseeded naturally by deferred grazing under the 1938 program. Other popular range-conservation practices in the State were artificial reseeding of grass land, construction of spreader dams and terraces to control erosion, and development of springs as sources of stock water.

Nebraska, with grazing land over most of the northwestern third of its area, also benefited extensively by deferred grazing to reseed depleted pasture. The State was second to Texas in drilling or

digging wells as stock watering places, and planted a larger acreage of forest trees than any other State participating in the range program.

The range program, in three years of operation, has been a large factor in restoring grass in the range area following the droughts of 1934 and 1936.

V. SOIL-BUILDING PRACTICES

Relatively small areas in the North Central Region are subject to gully erosion, and most of the flat, fertile farms will produce legumes without the application of commercial fertilizer. Those factors, along with the need for considerable amounts of roughage, make the seeding of legumes by far the most important soil-building practice in the North Central Region.

Under the 1938 program more than 13,000,000 acres were seeded to alfalfa, sweet clover, red clover, and other legumes and grasses in the 10 States of the North Central Region. This is an area greater than all the cropland in Indiana. Green-manure and cover crops were used on more than 148,000 acres.

In some areas application of limestone as fertilizer is a major soil-building practice. More than 500,000 tons of limestone were spread in Illinois alone in 1938; and for the entire Region, more than 1,700,000 tons of limestone were applied.

More than 63,000 acres of trees were planted or improved under the 1938 program in the North Central Region.

Erosion-control practices of the Region are highly varied, with maintenance of protected summer fallow, strip cropping, and contour farming and listing being carried out extensively in several States, especially in the western part of the Region, which is subject to wind erosion.

VI. GENERAL PROGRESS ON 1939 PROGRAM

The 1939 farm program, virtually the same as the 1938 program so far as the North Central Region was concerned except for the addition of parity payments, was available to Corn Belt farmers at least 4 months earlier in the year than was the 1938 program. By the middle of January 1939, county and community committeemen had received instructions and the forms necessary for the execution of the first step in 1939 compliance—the completing and signing of the Farm Plan for Participation in the 1939 Agricultural Conservation Program. The deadline on signing the farm plans was May 1.

By the first of May, 1,620,000 farm plans had been signed in the 10 States, representing, for all practical purposes, that many farms. That number represented approximately 74 percent of all North Central farmers and 83 percent of all cropland, an increase of 30 percent over participation in 1938.

This increase was accounted for, at least partially, by the fact that farmers found the program more simple as they became better acquainted with it, by the more effective educational work which com-

mitteemen were able to carry on, by the parity payments available for the first time in 1939, and by the distinct advantage which farmers found in the 1938 corn loans. There was also more indication than ever before that farmers were appreciating the necessity of conserving the soil and making acreage adjustments.

It was significant that many corporate landowners, even though barred from receiving full conservation payments under the \$10,000 limitation of the Soil Conservation and Domestic Allotment Act, did encourage their tenants to participate in the program.

As in previous programs, the signing of farm plans for participation in the 1939 program indicated a wide variation in participation between various States and sections in the Region. Below is a tabulation of the number of farm plans signed, the percent of farms in the State for which farm plans were signed, and the percent of cropland in the State covered by the number of farm plans signed:

State	Number of farm plans signed	Percent of all farms	Percent of cropland covered
Illinois.....	179, 607	66	77
Indiana.....	138, 681	63	73
Iowa.....	192, 835	84	90
Michigan.....	155, 842	75	79
Minnesota.....	180, 862	81	88
Missouri.....	205, 717	72	79
Nebraska.....	123, 717	72	81
Ohio.....	154, 976	59	71
South Dakota.....	110, 249	87	94
Wisconsin.....	177, 938	88	92
North Central Region.....	1, 620, 424	74	83

VII. CORN UNDER THE 1939 PROGRAM

The act specifies that the commercial corn area shall include all counties producing an average of at least 450 bushels of corn per farm and 4 bushels of corn per acre of farm land during the last 10 years. It also includes bordering counties in which there are minor civil divisions likely to meet those requirements during the year.

In accordance with those specifications, 586 counties were included in the commercial corn-producing area for 1939. This was an increase of 20 counties over 1938, the additional counties being mostly along the northern and eastern edges of the area.

The national corn acreage allotment for this area also was increased from 40,500,000 acres in 1938 to 41,250,000 acres in 1939. This figure was reached on the basis of a determination showing a normal year's domestic consumption of corn to be 2,349,000,000 bushels, a normal year's exports to be 70,000,000 bushels, and a carry-over estimated to be 395,000,000 bushels.

On the basis of these figures the reserve supply for 1939 was set at 2,660,000,000 bushels, 1,310,000,000 bushels of which would be produced in the commercial corn area at normal yields of 31.8 bushels per acre.

Following is a comparison between the 1938 and 1939 State corn acreage allotments and the number of counties designated in each State as being commercial corn counties in each of the 2 years:

State	1938		1939	
	Number of counties	Acres	Number of counties	Acres
Illinois.....	102	7, 348, 375	99	7, 308, 282
Indiana.....	77	3, 456, 203	82	3, 583, 191
Iowa.....	99	9, 249, 232	99	9, 274, 903
Kansas.....	27	2, 108, 595	25	1, 983, 137
Kentucky.....	4	154, 764	8	270, 915
Michigan.....	5	223, 790	11	411, 092
Minnesota.....	45	3, 319, 794	45	3, 316, 151
Missouri.....	63	3, 267, 079	63	3, 301, 517
Nebraska.....	64	6, 757, 334	64	6, 876, 354
Ohio.....	57	2, 521, 771	61	2, 646, 953
South Dakota.....	17	1, 635, 790	17	1, 525, 516
Wisconsin.....	6	452, 809	12	741, 648
Total.....	566	40, 495, 537	586	41, 239, 659

The State allotments for the 2 years listed here are not strictly comparable, since having the same number of counties in a State both years does not necessarily mean the same counties are included both years.



CHAPTER 5

THE PROGRAM IN THE SOUTHERN REGION

The fundamental need for a farm program in the Southern Region, composed of the nine States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas, is based upon the necessity for a larger farm income. The South has the lowest farm income of the major farming regions in the United States, its farm population is the densest, and it therefore follows that the per capita return from the land is the smallest. As an example, the average income per person on farms in 1935 for the United States as a whole was \$268, while the average for the South was about \$100 less.

Heavy soil losses account in part for the South's low income. Much of the land in the South has a topsoil that is comparatively shallow and not rich in mineral and organic plant food. Most of the land is rolling and subject to rapid erosion by water run-off unless protected. Rainfall in most of the Region is heavy, particularly during the season when the land is not protected by vegetation. In the drier areas of the Southwest, wind erosion takes a heavy toll of soil. There are no universally adapted perennial or biennial legumes in the South and in order to keep a cover of vegetation on the land throughout the year it is necessary in most cases to plant two crops, a winter cover crop and a summer cover crop. Most of the seed for winter cover crops must be imported from outside the Region and paid for in cash. As a rule, the winter cover crops grown in the South are not used for hay, nor for grazing, but are turned under to enrich the soil. Intertilled crops in the Region result in heavy soil losses.

The density of farm population in the South tends to encourage row cropping. Farms are relatively small and the competition for the land is sharp. Concentration on the land results in intensive land use, with emphasis on cash crops such as cotton, tobacco, and truck crops. Furthermore tenancy is high, 61 percent in the nine States of the Southern Region as compared with 42 percent for the country as a whole, and about one-third of the tenants move every year. Soil mining and poor housing are the result of this system. Landlords and a mobile tenantry alike show preference for farming operations that result in the largest cash income, especially cotton production.

Production of food and feed for home use contributes too little to the farm income of the South. The 1935 farm census revealed that in the 9 States of the Southern Region, there were 638,000 farms without milk cows, 800,000 farms without hogs, 293,000 farms without chickens, and 1,637,000 farms without any kind of plowable pasture. Associated with this deficiency in production for home use is an

inadequate diet. A serious health problem in the Southeast also is related to the lack of adequate diet and farm income.

The South's farm income is dependent to a marked degree upon a single crop—cotton. Cotton is grown on about 2,000,000 farms in the southern States, of which 1,640,000 are located in the 9 States of the Southern Region. Some 10,000,000 people live on cotton farms, of which over 8,000,000 are in the Southern Region. This means that approximately one-third of the Nation's farm population is dependent wholly or in part upon cotton for a living. The loss of a portion of our export outlets, which formerly took a large part of the cotton production, struck with disastrous effect at the South's farm income. A shift in the South's farm economy to lessen the dependence upon cotton production is needed. However, such a shift must of necessity be a gradual one, and while it is under way farm income must be maintained. This has been done with the assistance of the Agricultural Adjustment Administration program. For the 10-year period, 1920 to 1929, income from cotton and cottonseed averaged \$1,370,000,000 annually. During the 3 depression years, 1930-32, it dropped to an average of \$580,800,000. During the 6 years that the adjustment programs have been in effect, income, including payments to farmers under the program, averaged a little less than \$900,000,000.

In the Southern Region provisions of the Agricultural Adjustment Act of 1938 affected mainly cotton, tobacco, wheat, rice, peanuts, and potatoes, with special provisions covering soil-building and range-building practices.

I. COTTON IN THE FARM PROGRAM

The A. A. A. program for cotton aims to accomplish four main objectives: First, to supplement income of cotton producers through conservation and price-adjustment payments and to do away with periodic price slumps by reducing the surplus and adjusting production more nearly in line with demand; second, to make more land available for food and feed crops to be used on the farm; third, to attack soil-depletion and erosion losses by providing cover crops and by other soil-building and conserving practices; fourth, to expand domestic consumption and exports.

To accomplish these objectives, the program operates in several parts—the conservation phase, with acreage allotments and payments for conservation accomplished; marketing quotas, which may be used to prevent noncooperators from getting an unfair share of the available markets; and the moving of surplus farm commodities into consumption channels. Under the 1938 conservation program, farmers received payments for planting within their acreage allotments and for carrying out approved soil-building and conserving practices, such as planting cover crops and building terraces. Parity payments on cotton also were based on compliance with the soil-conservation feature of the program. Provision is made that marketing quotas are to be used when approved by vote of cotton producers in years when the supply of cotton becomes excessively large. This is the control feature of the program. The object is to keep the supply of cotton in line with normal carry-over, domestic consumption, and export demands.

The vote on quotas for the 1938 crop took place on March 12, 1938. A total of 1,527,028 cotton producers cast ballots, out of an estimated total of 2,300,000 eligible to vote. The result: 1,406,088 voted in favor of quotas, and 120,940 against. This was a majority of 92.1 percent for cotton marketing quotas. The Agricultural Adjustment Act requires a two-thirds majority for quotas to become effective. All farmers who grew cotton in 1937 were eligible to vote. The referendum was conducted by the county committees of the Agricultural Conservation Program, with local farmers in charge of the election.

THE NATIONAL COTTON ALLOTMENT

The national cotton allotment for 1938 was an acreage which, with normal yields, would produce 10 million bales, plus the additional acreage required to bring farm allotments up to certain minimums established by the act. This gave a total national allotment of 28,285,572 acres—the maximum acreage that could have been allotted. However, due to the fact that some farms could not qualify for minimum allotments and other farms were out of cotton production in 1938, the total allotment to individual farms was about 27,500,000 acres. The actual harvested acreage in 1938 was about 24,248,000 acres. In other words, producers actually grew about 3,250,000 acres less cotton than they were allotted under the program. The 1938 cotton allotments to individual farms by States were as follows:

Alabama	2, 221, 829	Mississippi	2, 668, 819
Arizona	197, 595	Missouri	388, 055
Arkansas	2, 403, 094	New Mexico	112, 151
California	402, 472	North Carolina	999, 477
Florida	83, 707	Oklahoma	2, 283, 692
Georgia	2, 181, 525	South Carolina	1, 369, 462
Illinois	5, 447	Tennessee	821, 854
Kansas	996	Texas	9, 998, 876
Kentucky	19, 007	Virginia	57, 472
Louisiana	1, 246, 996		

Marketing quotas were established for all cotton farms. The farmer could sell up to the amount of his quota without penalty, but had to pay a penalty of 2 cents per pound on marketings in excess of his quota. For the first 11 months of the marketing year which began August 1, 1938, penalties totaling approximately \$780,000 were collected from farmers who sold cotton in excess of their quotas.

The conservation payment on cotton under the 1938 program was 2.4 cents per pound on the normal yield of each farm's cotton acreage allotment. Farmers knowingly overplanting their 1938 cotton allotments were not eligible to receive price-adjustment payments from the appropriation of \$130,000,000 provided by Congress for cotton produced in 1937, these payments having been conditioned on compliance with the 1938 Agricultural Conservation Program.

The Agricultural Adjustment Act of 1938 provided for commodity loans under special conditions and a loan program was established for cotton. Producers complying with their cotton allotments were eligible for loans on all of the cotton produced on their allotted acres; those knowingly overplanting were eligible for loans only on cotton produced in excess of their marketing quotas and then at only 60 percent of the loan rate allowed cooperators.

Provision is made under the program for continuation of investigations for the development of new uses for cotton and other agricultural products through diversion of surplus products from the regular channels of trade and through the establishment of regional laboratories for experimentation. One of the laboratories is being located in New Orleans and development of new uses for cotton will be one of its major activities.

COTTON LOANS AND PRICE ADJUSTMENT PAYMENTS

The change from specialization in cotton production to a balanced system of agriculture entails a cost of time and money that the generally impoverished cotton grower cannot meet. Conservation payments under the Agricultural Conservation Program help to meet the actual costs of rebuilding soil.

The Agricultural Adjustment Act of 1938 provides for loans to cotton producers when the price is abnormally low or the crop abnormally large, and the rate may vary between 52 and 75 percent of parity. For this Region a total of \$168,876,943 was loaned on 3,711,966 bales of 1938-39 cotton. The basic rate for loans was 8.3 cents per pound on seven-eighths inch middling cotton, but loans were made at rates between 5.3 cents and 10.75 cents, according to the grade and staple of the cotton offered as collateral.

This was lower than the 1937-38 rate of 9 cents and the higher rates of 1935-36 and 1936-37, but it took into recognition the fact that an excessively high loan rate in relation to market price prevents the movement of cotton into export trade.

Price-adjustment payments were provided for in connection with the 1937 crop to supplement the income of cotton growers. From an appropriation of \$130,000,000, payments totaling more than \$103,000,000 were made in the Southern Region on about 1,155,000 applications. Payments were made to individual producers on 60 percent of their base cotton production as established under the 1937 program so as to assure, insofar as possible, those who cooperated in the 1938 Agricultural Conservation Program an average return of 12 cents per pound for their cotton produced in 1937.

AVERAGE OF 11 MILLION ACRES RELEASED TO SOIL-CONSERVING CROPS AND FOR FOOD AND FEED USES

The gains that have been made in soil conservation are shown in a number of ways. From 1933 through 1938, under 6 years of the adjustment programs, the average cotton acreage was 11,000,000 acres less than the average for the 10 years preceding 1933. This means that an average of 11,000,000 acres formerly in cotton was released for soil-conserving crops each year. Most of the acreage released from cotton was in the nine States of the Southern Region. In 1938, the United States cotton crop was grown on 24,248,000 acres, compared with an average of approximately 40,000,000 acres for the 10-year period preceding agricultural adjustment.

II. THE PROGRAM FOR OTHER CROPS

In addition to cotton, the 1938 program in the Southern Region carried special provisions for tobacco, rice, peanuts, wheat, potatoes,

and other soil-depleting crops grouped as "general crops." Acreage allotments were established for these crops in applicable areas and payments were made to cooperating farmers who planted within their allotments.

TOBACCO IN THE SOUTHERN REGION

Tobacco acreage allotments in Southern Region States for 1938 were as follows:

Flue-cured—Alabama, 400 acres; Florida, 13,700; Georgia, 83,000; South Carolina, 95,000 acres.

Burley—Alabama, 188 acres; Arkansas, 75; Georgia, 175; Oklahoma, 7; South Carolina, 125 acres.

Georgia-Florida Type 45—Florida, 818 acres; Georgia, 307 acres.

Georgia-Florida Type 62—Florida 2,349 acres; Georgia, 551 acres.

A referendum was held on March 12, 1938, to determine whether or not marketing quotas were to be in effect in 1938 for flue-cured tobacco. The vote in all States growing flue-cured tobacco, including the Southern Region, was 219,842 in favor of quotas and 35,253 against—a favorable majority of 86.2 percent. Under the program a two-thirds majority of those voting was required to put quotas in effect. The percentages in favor of quotas in the Southern Region States were: Alabama, 100 percent; Florida, 56.6 percent; Georgia, 62 percent; South Carolina, 89.7 percent.

A referendum was held on April 9, 1938, to determine whether or not marketing quotas for Burley tobacco were to be in effect in 1938. The total vote in all Burley States was 154,208 in favor of quotas and 22,870 against, a favorable majority of 87.1 percent. A two-thirds majority was all that was required. The percentages in favor of Burley quotas in the Southern Region States were: Alabama, 100 percent; Georgia, 95.3 percent; South Carolina, 100 percent; Arkansas, 100 percent.

The supply situation for Georgia-Florida Types 45 and 62 tobacco was such that referendums on quotas were not required.

Farmers received individual acreage allotments and quotas for tobacco. Under the conservation part of the program the payment on flue-cured tobacco was 1 cent per pound on the normal production of the producer's acreage allotment; the payment on Burley tobacco was one-half cent per pound; on Georgia-Florida Type 45, 1 cent per pound; on Georgia-Florida Type 62, 1.8 cents per pound. A producer could sell up to his quota of flue-cured or Burley tobacco without penalty; on all marketings in excess of his quota he was required to pay a penalty of 50 percent of the market price at the time of sale, or 3 cents per pound, whichever was greater.

PEANUT ALLOTMENTS IN COMMERCIAL AREAS

The program for peanuts in 1938 applied only to designated commercial peanut counties, as follows: Alabama, 9 counties; Florida, 2; Georgia, 32; Oklahoma, 1; Texas, 9 counties. The State peanut acreage allotted: Alabama, 246,851 acres; Florida, 47,383; Georgia, 454,667; Oklahoma, 18,121; Texas, 131,376 acres. Individual farms in the designated counties received peanut acreage allotments, with payments for planting within their allotments. The payment rate for peanuts was 20 cents per hundred pounds, on the normal production of the peanut acreage allotment.

RICE ALLOTMENTS

Three States in the Southern Region received rice acreage allotments in 1938 as follows: Arkansas, 155,728 acres; Louisiana, 412,039; Texas, 167,272 acres. Rice acreage allotments for individual farms were established and farmers complying with the program received a payment of 12.5 cents per 100 pounds on the normal production of the allotment.

COMMERCIAL POTATO AREAS IN FIVE STATES

The 1938 program applied to Irish potatoes in designated commercial potato counties. Five States in the Southern Region had designated commercial potato counties, as follows: Alabama, 1 county; Florida, 9; Georgia, 1; Oklahoma, 3; South Carolina, 7 counties. The State potato allotments were: Alabama, 1,866 acres; Florida, 17,372; Georgia, 482; Oklahoma, 5,267; South Carolina, 10,324 acres. The payment rate on potatoes was 5.4 cents per bushel on the normal production of the potato allotment.

WHEAT AND GENERAL CROP ALLOTMENTS

Wheat in 1938 was included in the general crop allotments in the Southern Region. General crop allotments were as follows: Alabama, 4,933,450 acres; Arkansas, 3,929,864; Florida, 1,078,013; Georgia, 5,987,226; Louisiana, 2,451,906; Mississippi, 4,290,788; Oklahoma, 12,142,986; South Carolina, 3,417,725; Texas, 19,032,489. In wheat areas, individual farms received wheat allotments for the purpose of computing payments, but wheat acreages were not measured separately from the general allotments. The payment rate was 12 cents per bushel on the normal production of the wheat allotment. In Oklahoma, Texas, and parts of Arkansas, payment was made on general crops at a specified rate per acre. No payment was made on general crops in the remainder of the Region.

III. SOIL-BUILDING PHASES OF THE PROGRAM

To make it possible for farmers to obtain the maximum benefits from the land released from cotton and other soil-depleting crops, the program offered assistance for three types of soil-conserving practices. These were: First, soil-building crops, grasses, and forest trees; second, fertilizers to be applied to certain crops or grasses; third, terraces and other soil-conserving devices.

Assistance was given, in the form of soil-building payments, for practically all of the adapted legumes. Annual summer legumes, for example, could be interplanted with depleting crops, the seed harvested and the vines grazed; they could be planted alone and turned under as a manure crop; or they could serve as a strip crop, in which case the seed or hay could be harvested. The seeding of practically all suitable annual winter legumes qualified for assistance within the maximum payment for soil-building. Sorghum, which is usually considered soil-depleting, could qualify for assistance when used in such a manner as to promote soil conservation. In complying with the 1938 program, farmers of the Southern Region

planted 17,457,685 acres to green-manure and cover crops, of which 9,710,012 were planted to summer legumes.

Assistance for the planting, sodding, or restoration of grasses was largely limited to pasture land. This practice fitted the almost universal need for permanent pastures in the Region. Certain grasses also could be used in strip cropping as a soil-conserving practice. The growing of suitable legumes in pastures also qualified for assistance under the soil-building phase of the program. New seedings of grasses and biennial or perennial legumes made in complying with the 1938 program totalled 3,943,489 acres. Pasture practices were carried out on 238,097 acres. In reseeding, 1,203,800 pounds of seed were used.

The planting of forest trees, including post-producing trees, was approved as a soil-building practice, provided a good stand was obtained and the trees were properly cultivated. The proper maintenance of trees set under the provisions of any of the agricultural conservation programs during or since 1936 was also an approved practice for which assistance was provided. Forest tree practices under the program were carried out on 55,911 acres.

Application of superphosphate, basic slag, or rock phosphate was another way in which soil conservation was promoted through the program. These materials are considered soil-building when applied to soil-conserving crops, to certain grasses, or to permanent pasture. Lime or limestone could be applied to any cropland as a soil-building practice. These materials increase the growth of soil-conserving crops, grasses, or pastures, and thereby increase their value in conserving soil. A total of 145,254 tons of limestone and superphosphate was applied.

To hold the soil and keep it from washing away, and thereby to make sure that cropland will be kept productive in future years, the program offered assistance for terracing. Ridging and listing or furrowing noncrop open pasture land were also approved practices for which payments were made. The extent to which these practices were carried out in the Southern Region is shown in tabulations in the appendix.

\$22,724,000 EARNED BY SOIL-BUILDING PRACTICES

Most of the practices were designed not only to improve the land, but also to promote the raising of more food and feed crops for home consumption on land released from cotton. The assistance offered for soil-building practices was to give the farmer the means of carrying out more of such practices than he otherwise would have been able to finance. Under the 1938 program a total of about \$22,724,000 was earned in carrying out soil-building practices. The following table shows the amounts earned by farmers of the nine Southern Region States:

State:	<i>Approximate total actually earned</i>	State:	<i>Approximate total actually earned</i>
Alabama-----	\$3,091,000	Oklahoma-----	\$955,000
Arkansas-----	2,406,000	South Carolina-----	1,919,000
Florida-----	2,141,000	Texas-----	4,093,000
Georgia-----	3,462,000		
Louisiana-----	1,691,000	Total Southern Region---	\$22,724,000
Mississippi-----	2,966,000		

The fact that yields of cotton have shown substantial gains in the Southern Region since the programs started indicates that the soil-building features of the program are proving effective. The release of millions of acres from soil-depleting crops has given farmers an opportunity for a beneficial rotation that has improved a great many farms to a marked extent. It has also given farmers a chance to rest their poorer acres from soil-depleting crops and make a start toward rebuilding the fertility of such areas. In view of the high proportion of run-down and seriously eroded land in the South, this is a significant step. The figures by States tell the story of what has happened to cotton yields:

Yields of cotton by States in Southern Region, 1923-32, 1936, 1937, and 1938

State	Cotton yields per acre (pounds)			
	10-year average 1923-32	1936	1937	1938
Alabama-----	173	236	290	251
Arkansas-----	189	249	328	304
Florida-----	125	170	162	163
Georgia-----	178	228	270	203
Louisiana-----	194	260	337	289
Mississippi-----	193	305	377	322
Oklahoma-----	150	62	156	163
South Carolina-----	206	279	289	249
Texas-----	138	121	197	168

22,700 RANCHES PARTICIPATE IN RANGE PROGRAM

The 1938 range program in the Southern Region was applicable in Oklahoma and Texas, with conservation of soil on range land as the chief aim. The program was designed to help ranchers put into operation the range-building practices which experiments and actual use have shown to be of value in helping maintain or restore a good stand of grass on depleted areas. The approved practices under the 1938 program sought to do this by eliminating range-destroying plants or by preventing erosion or, in the more arid areas, by the conservation of water. A maximum payment that a rancher could earn by carrying out range-building practices was established on each participating ranch. The main practices were: Natural reseeding by deferred grazing, development of stock water on range land, construction of tanks and reservoirs, construction of dams, development of natural watering places, erosion and run-off control, and elimination of destructive plants. As in the case of the soil-building payments in other areas, the payments under the range program were to assist ranchers in carrying out more range-conservation practices than they otherwise would have been able to carry out.

Range improvements under the program were carried out on 22,700 ranches in Texas and Oklahoma, and the land in these ranches totaled 78,803,000 acres, with a grazing capacity of 4,870,300 animal units.

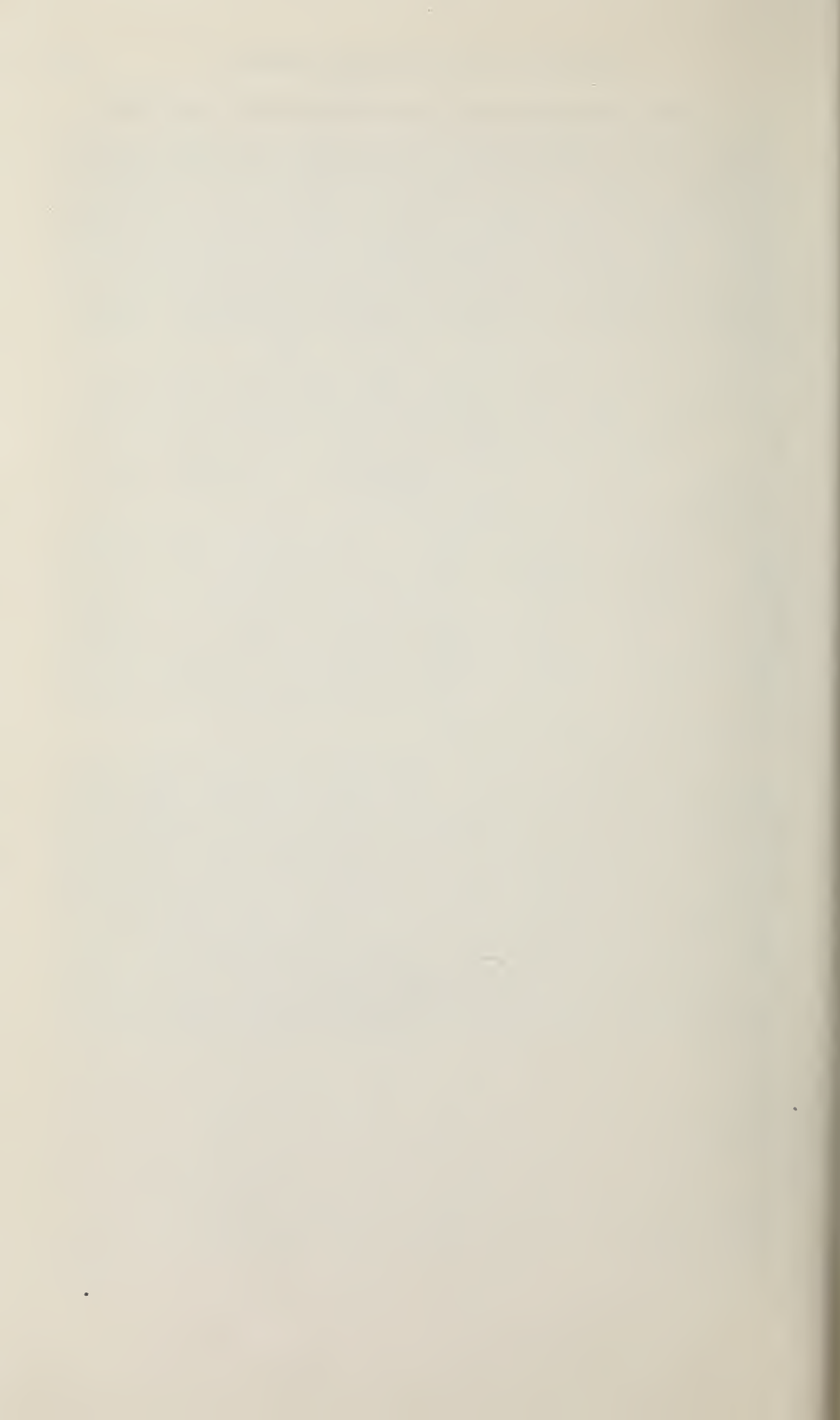
IV. PARTICIPATION AND PAYMENTS TO FARMERS

Approximately 1,400,000 applications, representing approximately 2,400,000 individual farmers, were paid under the 1938 program in the Southern Region. These applications covered about 88 percent of all cropland in the Region. The payments totaled about \$180,000,000. This included all payments on cotton, tobacco, wheat, peanuts, rice, potatoes, and general crops, plus the amounts paid to farmers of the Region as assistance for carrying out soil-building and conserving practices. In addition, approximately 1,155,000 applications for cotton price-adjustment payments, totaling more than \$103,000,000, were paid in the Southern Region in 1938.

Farmers of the Southern Region have also shared with the producers of the wheat belt in the benefits of the crop insurance program which swung into operation in 1938 and paid its first loss checks in the first part of 1939. This feature of the program proved particularly effective in Texas and Oklahoma, where the Region's only large-scale wheat farming is located.

Another feature of the program of which farmers of the Region were beginning to take advantage on a large scale in 1938 was that under which superphosphate, limestone, and legume seed are furnished as grants-of-aid as an offset against their future A. A. A. payments. During the year, approximately 2,200 tons of superphosphate went to participating farmers, mainly in Alabama. Approximately 1,000,000 pounds of legume seed, mainly Austrian winter peas, went to Georgia farmers in 1938 as grants-of-aid, and plans for the use of limestone under the same program were launched on a large scale in South Carolina.

The farm program was particularly effective in the South, as a means of bringing about a better appreciation of the value of a united effort to solve farm problems. Each State and county was covered thoroughly with farmer meetings in connection with the cotton and tobacco referendums early in 1938, and every effort was made by the county and local committees, the county Extension agents, vocational teachers, and other farm leaders interested in improving Southern farm income, to acquaint all farmers with their basic problems and how they could cooperate to solve them. The referendums, the elections of committees of farmers by farmers, and the frequent contact of all participating farmers with their committeemen, county agents, and administrative assistants, were giving farmers a better appreciation of the democratic principles on which the program is founded.



CHAPTER 6

THE PROGRAM IN THE EAST CENTRAL REGION

The East Central Region, which is one of the oldest agricultural areas in the United States, includes a widely diversified agriculture. Among the important commodities are tobacco, cotton, corn, wheat, cattle, dairy products, poultry, vegetables, and apples. More than 60 percent of the cash farm income is derived from sales of crops. About three-fourths of the tobacco produced in the United States is grown in the Region. The Region includes the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.

Much of the land is hilly or rolling, and because of relatively heavy rainfall is subject to serious erosion. There are many streams whose muddied waters are a frequent reminder of the need for stopping this waste of soil. The winters are such that alternate freezing and thawing add to the erosion problem and cause an urgent need for winter cover crops.

There are few big towns, yet the Region is densely populated. On the average, the farm family has only about 30 acres of cropland. The average acreage of tobacco—the principal cash crop—is only 1 to 4 acres per farm, yet this acreage is adequate to meet market demand.

I. PARTICIPATION AND PAYMENTS UNDER 1938 PROGRAM

The number of farms participating in the A. A. A. farm program in the East Central Region has increased about 65 percent since 1936. In 1938, there were 633,000 farms in the program, and 965,000 persons (including share tenants and sharecroppers) received payments for compliance with the program's provisions. In 1936, about 390,000 farms were in the program, and in 1937 about 414,000.

Program compliance in 1938 entitled the participating farmers to a total of approximately \$43,000,000 in conservation payments. In addition to conservation payments, cotton producers of the Region received \$11,200,000 as cotton price-adjustment payments, which were made in 1938 on the 1937 cotton crop and which were conditioned on compliance with the cotton acreage allotments of 1938.

For 1938 a total of 113,000 cotton loans, 1,170 wheat loans, and 76 corn loans was made in the Region.

Farmers participating in the program in 1938 operated about 82 percent of 40 million acres of cropland in the Region. The total acre-

age of cropland in each State and the percent of this total acreage covered by the 1938 program are given in the following tabulation:

State	Cropland	
	Total acreage	Percent on farms in program
Delaware.....	581, 000	83. 2
Maryland.....	2, 507, 000	68. 2
Virginia.....	5, 865, 000	72. 3
West Virginia.....	1, 952, 000	68. 8
North Carolina.....	8, 089, 000	82. 7
Kentucky.....	11, 348, 000	87. 6
Tennessee.....	9, 924, 000	85. 9
East Central Region.....	40, 266, 000	81. 9

II. ADJUSTMENT IN CASH CROP ACREAGE

A high proportion of East Central Region farmers adjusted their acreages of cash crops in 1938. Between 85 and 95 percent of the acreage devoted to cotton, tobacco, and peanuts, and to "commercial" wheat, potatoes, and corn, was on farms that took part in the 1938 program. These adjustments made it possible to keep supplies more nearly in balance with market needs. With the decline of export markets, such adjustments were especially needed in keeping the cotton surplus from increasing and in preventing the building up of large surpluses of tobacco. Adjustments in the acreages of soil-depleting crops help by:

1. Tending to balance production with market requirements and hence to improve cash income.
2. Enabling many farmers to devote surplus-producing acres to the production of food and feed which is needed for home consumption on the farm.
3. Making it possible for farmers to improve land which has been overcropped.

III. SOIL-BUILDING ACCOMPLISHMENTS ³

In 1938 farmers taking part in the program earned 45 percent of the total payment for carrying out soil-building practices. Under the 1937 program, only 30 percent of the payments to cooperating farmers were for carrying out soil-building practices; and 20 percent were for practices in 1936.

Payments in connection with soil-building practices, which are in addition to conservation payments for planting within soil-depleting acreage allotments, are made to cooperating farmers to help them pay the cost of approved practices which build up and improve the soil.

The soil-building practices in the 1938 program included establishment of permanent pasture, seeding specified legumes and grasses, turning under green-manure crops, application of limestone, application of superphosphate to permanent pastures or in connection with soil-conservation crops, terracing, and planting forest trees.

³ Statistics quoted in this chapter are more recent and may vary slightly from those listed under Appendix B.

Among the most significant increases in soil-building practices under the program have been those in the use of limestone and phosphate. Before 1930 farmers in the seven East Central States used not more than a million tons of limestone per year. This dropped to less than one-half million tons a year in 1932 and 1933. In 1936, with the help of the Agricultural Conservation Program, over 1,000,000 tons of limestone were used; in 1937 the amount increased to 1,500,000 tons; and in 1938 it was 2,000,000 tons.

The increased use of phosphate under the A. A. A. program has been even more striking: In 1936, about 47,000 tons were applied; in 1937, applications totaled 127,000 tons; and in 1938, the figure was 234,000 tons. Slightly more than half of the 1938 quantity was furnished as grants-of-aid. The increase since the first year of the Agricultural Conservation Program has been approximately 400 percent.

Prior to the inauguration of the A. A. A. program, farmers in the Region for a number of years had used fertilizer to grow cash crops, but before 1936 they had used almost none to grow soil-conserving crops. All indications are that the payments under the A. A. A. program are largely responsible for the increased use of both lime and phosphate. The influence of these materials can be seen on the winter cover crops which farmers are using to protect and improve the soil. Their influence also can be seen in the increased acreage of legumes and grasses that add fertility and keep the soil from washing away.

It is estimated that the acreage of cropland which was protected by winter cover crops in 1938 was about 25 percent greater than the acreage which had such protection in 1936.

Seedings of legumes and grasses under the program have increased 50 percent since 1936. The use of green-manure crops and designated residue crops increased 175 percent from 1936 to 1938 and the planting of forest trees also increased 175 percent during this period. During the last 3 years, a total of 17,000 miles of terraces was built under the program in the Region, about one-third of which were built in 1938.

A summary of the principal soil-building practices carried out under the Agricultural Conservation Program in the Region during 1936, 1937, and 1938 is shown in the following tabulation:

Program year	Seeding legumes and grasses	Green-manure crops	Forest practices		Limestone (equivalent)	Superphosphate (in terms of 16-percent material)	Terracing
			Planting trees	Improving stands			
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Tons</i>	<i>Tons</i>	<i>1,000 ft.</i>
1936-----	4, 884, 000	989, 000	1, 900	-----	1, 191, 000	46, 800	35, 226
1937-----	5, 452, 000	2, 011, 000	3, 200	3, 700	1, 577, 000	127, 400	24, 043
1938-----	7, 489, 000	2, 736, 000	5, 200	5, 800	2, 014, 000	234, 300	31, 806

GRANTS-OF-AID

In 1937 the grant-of-aid provisions of the Agricultural Adjustment Act were first put into operation with the furnishing of 25,000 tons

of triple superphosphate to farmers in the East Central Region. In 1938 the Agricultural Adjustment Administration furnished the farmers 57,000 tons of triple superphosphate. This was an increase of 125 percent in 1938 over 1937.

In addition to the phosphate furnished in 1938, the farmers in nine counties of the East Central Region received more than 21,000 tons of liming materials as grants-of-aid. Also, 270,000 pounds of winter legume seed were furnished farmers in four North Carolina counties—Bertie, Duplin, Pender, and Hertford. As an example of the response of farmers to the furnishing of seed by the A. A. A., the acreage of vetch and Austrian winter peas in the four North Carolina counties increased from 690 acres in 1936 and 1,860 acres in 1937 to 9,280 acres seeded in 1938.

The furnishing of these materials direct to farmers as grants-of-aid, in lieu of equivalent conservation payments, was undertaken not for the purpose of creating a new scheme of distribution, but solely for the purpose of bringing about more soil-building practices. Figures indicate that materials furnished by the Government have been additions to, rather than substitutions for, materials purchased by farmers through regular commercial channels. These materials as grants-of-aid have proved most helpful to farmers who have not been able to obtain credit readily.

The program seems particularly well suited to the East Central Region, and farmers have made rapid strides forward in conserving and improving the soil since the program has been in operation.

IV. MARKETING QUOTAS IN EFFECT

As provided under the Agricultural Adjustment Act of 1938, and as determined by referendums among farmers, marketing quotas were in effect for the 1938-39 marketing year for flue-cured, Burley, fire-cured and dark air-cured tobacco, and for cotton. As a result of the vote in referendums held in the fall of 1938, cotton quotas were continued in effect for the 1939-40 marketing year, but tobacco marketing quotas were suspended for that year.

CHAPTER 7

THE PROGRAM FOR TOBACCO

Tobacco produced in the United States and Puerto Rico has been grouped into five major kinds for administrative purposes under the Agricultural Adjustment Act of 1938. The major kinds are flue-cured, Burley, fire-cured and dark air-cured, cigar, and Maryland tobacco.

More than 750,000 farm families in 26 States and Puerto Rico are engaged in the commercial production of these kinds of tobacco.

Following the enactment of the Agricultural Adjustment Act of 1938, which provided marketing quotas for the regulation of tobacco marketings, a Tobacco Section was set up in the Agricultural Adjustment Administration to handle the over-all tobacco programs. The chief functions of this section are to assist the regional divisions in working out uniform methods for determining tobacco farm allotments and quotas, to determine national and State tobacco allotments and quotas, and to handle the marketing and enforcement phases of administering tobacco quotas when they are in effect.

The Agricultural Adjustment Act of 1938 as originally approved provided for the establishment of a farm marketing quota in pounds for each farm. However, an amendment approved in August 1939 provides for the establishment of an acreage allotment for each farm and for a marketing quota equal to the actual production on that acreage allotment. While the acreage allotments established for farms are used both under the agricultural conservation program and under the marketing quota program, the two programs are separate in that farmers may or may not plant within their acreage allotments for the purpose of earning payments under the agricultural conservation program, while under the marketing quota program any tobacco marketed from a farm in excess of the farm quota is subject to the penalty provided in the act. The agricultural conservation program is in effect each year but the marketing quota program is in effect only under certain supply conditions and when approved by farmers in a referendum.

I. TOBACCO-QUOTA PROVISIONS OF THE ACT

The purpose of the tobacco marketing quotas is to provide a means whereby farmers can effectively adjust marketings of tobacco in line with demand so as to obtain fair prices for their tobacco.

Under the tobacco marketing quota provisions of the act of 1938, the Secretary is required to proclaim a quota for any kind of tobacco not later than December 1 if he finds that the total supply is in excess of the level defined in the act. Within 30 days after proclaiming the quota he is required to hold a referendum of growers of that

kind of tobacco, and if more than one-third of the farmers voting in the referendum oppose the quota, it is not in effect thereafter. If the Secretary finds that a larger amount of tobacco is needed to meet trade demands he may increase the national quota not later than December 31 by not more than 10 percent.

A quota proclaimed not later than November 30 of any year is applicable for the marketing year beginning July 1 of the next year in the case of flue-cured tobacco, and October 1 of the next year in the case of other kinds of tobacco. A quota proclaimed for one kind of tobacco is applicable only to that kind of tobacco. Thus, each of the several different kinds of tobacco, in effect, is treated as a separate commodity.

Marketing quotas can be proclaimed for any kind of tobacco only when the total supply is in excess of a "reserve supply level." This reserve supply level is 105 percent of a "normal supply," consisting of 275 percent of a normal year's domestic consumption plus 165 percent of a normal year's exports. The reserve supply level is such that it provides supplies adequate to meet trade needs.

The national marketing quota for any kind of tobacco is distributed among States on the basis of production during the preceding 5-year period with adjustments for trends, for abnormal conditions, and for small farms. The resulting State poundage quota for each State is then converted to a State acreage allotment by dividing the poundage-quota by a State yield-per-acre determined on the basis of the average yields in the State during the preceding 5 years, adjusted for abnormal conditions.

The State acreage allotment for each State is distributed among farms by local committees on the basis of the past tobacco acreage (harvested and diverted) adjusted for abnormal conditions; crop-rotation practices; the soil and other physical factors affecting the production of tobacco; and land, labor, and equipment available for the production of tobacco. Provision is made for increasing allotments on separately operated farms having small allotments up to the smaller of (a) 120 percent of such allotments or (b) that acreage which, with the normal yield for the farm, would produce 3,200 pounds in the case of flue-cured tobacco and 2,400 pounds in the case of other kinds of tobacco. Not over 5 percent of the national quota for any year may be reserved for making allotments to new tobacco farms, on which tobacco is grown for the first time in 5 years.

The marketing quota for each individual farm is the actual production on the acreage allotment established for the farm.

A penalty of 10 cents per pound in the case of flue-cured, Burley, and Maryland tobacco, and 5 cents per pound in the case of all other kinds of tobacco is imposed upon all tobacco marketed in excess of the marketing quota for the farm. This penalty is required to be paid by the warehouseman if the tobacco is sold through an auction warehouse and by the tobacco dealer if the tobacco is purchased by a dealer outside an auction warehouse.

In connection with the foregoing outline of the terms of the tobacco quota provisions, it may be noted that amendments to the law, passed in August 1939, had the effect of changing the quotas from a fixed number of pounds for each farm to the actual production on the acreage allotment established for the farm.

II. QUOTAS FOR 1938 AND 1939

Marketing quotas were proclaimed and voted upon for the 1938 crops (1938-39 marketing year) of flue-cured, Burley, and dark tobacco. Quotas were announced and voted upon for the 1939 crops (1939-40 marketing year) of the same kinds of tobacco. The vote on these quotas by States is shown in the following tabulation:

Vote on tobacco quotas for 1938 and 1939

FLUE-CURED TOBACCO

State	1938				1939			
	Number of votes cast			Per- cent- age in favor	Number of votes cast			Per- cent- age in favor
	Yes	No	Total		Yes	No	Total	
Alabama.....	32	0	32	100.0	112	8	120	93.3
Florida.....	1,969	1,511	3,480	56.6	2,589	1,564	4,153	62.3
Georgia.....	16,083	9,854	25,937	62.0	15,506	9,489	24,995	62.0
North Carolina.....	151,503	17,340	168,843	89.7	88,222	65,853	154,075	57.3
South Carolina.....	25,191	2,905	28,096	89.7	15,759	10,585	26,344	59.8
Virginia.....	25,064	3,643	28,707	87.3	10,272	13,434	23,706	43.3
United States, total.....	219,842	35,253	255,095	86.2	132,460	100,933	233,393	56.8

BURLEY TOBACCO

Alabama.....	17	0	17	100.0	44	1	45	97.8
Arkansas.....	8	0	8	100.0	14	4	18	77.8
Georgia.....	41	2	43	95.3	46	31	77	59.7
Illinois.....	13	2	15	86.7	8	10	18	44.4
Indiana.....	3,684	2,145	5,829	63.2	2,537	4,168	6,705	37.8
Kansas.....	21	13	34	61.8	25	51	76	32.9
Kentucky.....	104,890	9,754	114,644	91.5	92,456	33,817	126,273	73.2
Missouri.....	585	376	961	60.9	370	975	1,345	27.5
North Carolina.....	5,262	1,901	7,163	73.5	2,747	5,923	8,670	31.7
Ohio.....	3,473	1,946	5,419	64.1	2,133	4,552	6,685	31.9
Oklahoma.....					1	0	1	100.0
South Carolina.....	11	0	11	100.0	29	21	50	58.0
Tennessee.....	29,936	4,656	34,592	86.5	24,588	29,851	54,439	45.2
Virginia.....	5,175	1,686	6,861	75.4	3,478	7,315	10,793	32.2
West Virginia.....	1,092	389	1,481	73.7	647	1,497	2,144	30.2
United States, total.....	154,208	22,870	177,078	87.1	129,123	88,216	217,339	59.4

FIRE-CURED AND DARK AIR-CURED TOBACCO

Indiana.....	140	123	263	53.2	63	159	222	28.4
Kentucky.....	22,325	4,743	27,068	82.5	15,623	8,515	24,138	64.7
Tennessee.....	11,293	1,638	12,931	87.3	7,363	5,030	12,393	59.4
Virginia.....	5,570	2,956	8,526	65.3	3,370	3,613	6,983	48.3
United States, total.....	39,328	9,460	48,788	80.6	26,419	17,317	43,736	60.4

In the flue-cured referendum on quotas, it is estimated that approximately 300,000 farmers were eligible to vote. Of this number 255,095 voted on quotas for 1938 and 233,393 on quotas for 1939. Out of an estimated total of 250,000 eligible Burley farmers 177,078 voted on quotas for 1938, and 217,339 on quotas for 1939. Of the estimated 75,000 eligible dark-tobacco farmers, 48,788 voted on quotas for 1938, while 43,736 voted on quotas for 1939.

Quotas for 1938 crops of flue-cured, Burley, and fire-cured and dark air-cured tobacco were approved by majorities of 86.2 percent, 87.1 percent and 80.6 percent, respectively. Quotas for the 1939

crops of flue-cured, Burley, and fire-cured and dark air-cured tobacco received majorities of 56.8, 59.4, and 60.4 percent, respectively, and thus were not in effect because they were not approved by the required two-thirds majority.

The national and State quotas for 1938 are shown in the following tabulation:

Apportionment of 1938 national tobacco quota among States, including the amounts allotted to new farms

State	Flue-cured	Burley	Fire-cured and dark air-cured
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
Alabama.....	420, 000	113, 000	-----
Arkansas.....	-----	26, 000	-----
Florida.....	11, 007, 000	-----	-----
Georgia.....	74, 502, 000	36, 000	-----
Illinois.....	-----	13, 000	-----
Indiana.....	-----	9, 034, 000	489, 000
Kansas.....	-----	339, 000	-----
Kentucky.....	-----	240, 688, 000	73, 858, 000
Missouri.....	-----	5, 311, 000	-----
North Carolina.....	487, 834, 000	8, 257, 000	-----
Ohio.....	-----	11, 714, 000	-----
Oklahoma.....	-----	5, 000	-----
South Carolina.....	84, 302, 000	13, 000	-----
Tennessee.....	-----	58, 277, 000	47, 957, 000
Virginia.....	68, 864, 000	12, 273, 000	22, 269, 000
West Virginia.....	-----	2, 868, 000	-----
New farms.....	21, 150, 000	7, 875, 000	3, 262, 000
Total, United States.....	748, 079, 000	356, 842, 000	147, 835, 000

III. PENALTIES COLLECTED

The estimated total penalties collected on sales of tobacco in excess of farm marketing quotas during the 1938-39 marketing year are: Flue-cured tobacco, \$775,967.02; Burley tobacco, \$134,113.29; and fire-cured and dark air-cured tobacco, \$1,894.43; making a total of \$911,974.74.

IV. ADMINISTRATIVE AND LEGAL ASPECTS

The agricultural adjustment programs from 1934 to 1938 resulted in a better supply situation for tobacco and more favorable prices for tobacco growers. It is probable that these favorable prices were the principal factor in the unfavorable vote by growers upon marketing quotas for 1939. Unquestionably, they caused farmers to become more impatient with allotments and quotas which would prevent the planting of as much tobacco as they wanted to plant in view of the favorable prices. However, the unfavorable vote reflected to some extent irritation on the part of growers arising out of difficulties encountered in the administration of the 1938 quota program. The difficulties resulted largely from lack of time in which to get the program in operation.

The Agricultural Adjustment Act of 1938 was approved on February 16, 1938. A referendum on quotas was held on March 12. There was not enough time to collect information and determine marketing quotas in pounds prior to the planting of tobacco by growers. Therefore, only the acreage allotments were determined and issued prior to the tobacco planting season from March to June of 1938. The quotas in pounds were determined later in keeping with the standards fixed in the act, but many growers, who had planted within the acreage allotments for their farms, were dissatisfied when they had more tobacco to sell than the amount of their quotas. Administration of the quotas also was made somewhat more difficult by the filing of suits to enjoin the collection of penalties.

Several suits were filed by growers in the State courts of Florida, Georgia, South Carolina, and North Carolina, under which the auction warehousemen were enjoined from paying penalties to the Secretary of Agriculture as provided in the act and were required to pay the penalties into the courts. These suits were based on the ground that the act was unconstitutional. The United States became a party to the first of these suits which was the *Mulford case*.

In the case of *Mulford v. Smith*, tobacco growers in South Georgia and North Florida sought through an injunction to restrain warehousemen from deducting the penalty from the price paid the grower. In the litigation that followed, the case was finally taken to the Supreme Court of the United States and the marketing quota provisions of the act were upheld by a 6 to 2 vote.

In declaring the marketing quota provisions of the act valid, the Court affirmed a decision of the District Court of the United States for the Middle District of Georgia (Valdosta division).

The points upon which the constitutionality of the act was attacked and the views expressed upon these points were as follows:

1. That the act constitutes a regulation of production and not regulation of interstate and foreign commerce of tobacco.

The Court held that the act operates not on farm production, but upon marketing.

2. That the standard for allotting farm quotas is so uncertain, vague, and indefinite, that it amounts to a delegation of legislative power to an executive officer and thus violates the constitutional requirement that laws shall be enacted by the Congress.

Responding to this second contention, the Court held "that definite standards are laid down for the government of the Secretary, first in fixing the quota and second in its allotment amongst States and farms."

3. That the act as applied to the 1938 crop deprives farmers of their property without due process of law.

In replying to this third contention the Court said "it is argued that the statute operated retroactively and therefore amounted to a taking of appellant's property without due process. The argument overlooks the circumstances that the

statute operates not on farm production as the appellants insist, but upon the marketing of their tobacco in interstate commerce."

It is significant to point out that while the old Agricultural Adjustment Act of 1933 was declared unconstitutional mainly because it attempted to regulate the production of agricultural commodities, the decision in the case of *Mulford v. Smith* upheld the marketing quota provisions of the Agricultural Adjustment Act of 1938 as a valid regulation of marketings.

After the decision of the Court in the *Mulford case*, growers and officials of the Department, working with interested Congressmen and Senators, developed amendments designed to strengthen and make the act more workable and to overcome the principal administrative difficulties encountered in connection with the 1938 program.

The effect of these amendments is as follows:

Elimination of the requirement for a second referendum during any single marketing year for Burley and fire-cured and dark air-cured tobacco.

Provision is made for proclamation of a marketing quota at any time between the beginning of the marketing year and December 1 for each kind of tobacco, rather than between November 15 and December 1. The amendment also provides that the Secretary may increase the national marketing quota by not more than 10 percent, at any time between the date of the proclamation and December 31, provided the additional quantity of tobacco is needed to meet market demands.

Provision is made for converting the State marketing quota (as determined in pounds) into State acreage allotments by dividing into the quota for any State a yield per acre determined on the basis of the average yield during the past 5 years, adjusted for abnormal conditions. The State acreage allotment is then divided among farms. The farm marketing quota is the actual production on the acreage allotment. The acreage allotments are determined for all farms on the same basis, but for an independently operated small farm on which the normal yield of the acreage allotment is less than 3,200 pounds in the case of flue-cured tobacco and less than 2,400 pounds in the case of other kinds of tobacco, the allotment is required to be increased up to the smaller of 120 percent thereof or to that acreage which with the normal yield for the farm would produce 3,200 pounds in the case of flue-cured tobacco and 2,400 pounds in the case of other kinds of tobacco. This amendment removes the difficulty caused by inability of farmers to produce a quantity of tobacco equal to any fixed number of pounds, and instead bases the quotas on fixed acreage allotments from which farmers can market their actual production. Provision is made for a flat penalty of 10 cents per pound on flue-cured, Burley, and Maryland tobacco, and 5 cents per pound on excess marketings of all other kinds.

CHAPTER 8

THE PROGRAM IN THE NORTHEAST REGION

Farmers of the Northeast Region are confronted with problems that differ essentially from those existing in other parts of the country. The States in this Region are Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York, New Jersey, and Pennsylvania.

Naturally and geographically adapted to industry, trade, and shipping, there is a heavy concentration of population in cities and towns.

Because of these facts the Northeast depends upon farmers in other Regions. A large part of its food and fiber for home use, or manufacture, or trading, must be produced elsewhere. And it must sell a large share of its products to farmers, or residents of farm States, who live to the south and west.

I. THE FARM SITUATION IN THE NORTHEAST

In this Region there is little or no need for downward adjustment of crop acreage except to stabilize production at normal levels. That explains why the acreage allotment part of the agricultural conservation program is so little used in the Northeast as, for all practical purposes, soil-building and soil-conserving practices suffice. For example: In 1937 about 90 percent of all A. A. A. payments earned in the Region were for these soil-improving practices.

The Northeast is not predominantly an agricultural area. Here but 1 person in 16 lives on a farm, in contrast with States like Texas where 2 persons out of every 5 belong to a farm family. In Rhode Island only 1 person out of 66 lives on a farm.

The greater portion of merchants' sales therefore must depend upon the purchasing power of factory workers. And Northeast factory pay rolls, in turn, depend to a greater extent upon the farm buying power of the country as a whole than upon the farm buying power of their own region.

AGRICULTURAL PRODUCTION HIGH

However, Northeastern agriculture is important in itself. While only about 7 percent of the Nation's farm people live in the Northeast Region, it produces from 10 to 12 percent of the value of farm products sold in the entire country.

With so much of its farm land located near large cities, the Northeast Region enjoys marketing advantages over other regions of the country. That is one reason why its agriculture is confined so largely to the production of perishables such as milk, poultry and eggs, fruits, and vegetables. These find a ready market in the cities.

Exceptions, of course, exist. Pennsylvania and western New York raise wheat and corn, and there is a beef-feeding district in the former State. Aroostook-Maine, Long Island, and New Jersey potatoes and Connecticut and Pennsylvania cigar tobacco are other exceptions. Dairy products, particularly fluid milk, are the most typical and widely produced agricultural commodities of the Northeast.

Wide fluctuations of production in other areas affect local markets, especially those for milk. When farmers, even in distant States, find that they cannot make a living in growing the crops that they are used to and prefer, they are most apt to shift into dairying, which brings them into competition with the established dairy farmers of the Northeast.

Most Northeast dairymen depend upon the sale of fluid milk in nearby towns and cities, which means that the price of milk is the largest single factor that determines their profit or loss. Milk prices depend in part on local market conditions. But they also depend upon the amount of cream shipped in from other regions and upon the price of butter. This competition in Northeastern markets depends upon whether farmers in other areas can make a decent living from hogs and beef cattle, wheat and cotton, or other products. Thus fluctuations in the production of these basic staple commodities create some of the most serious problems of the Northeast dairymen.

The need for soil-conservation has long been accepted in the Northeast. Well-kept farms are the rule. The Northeasterner thinks of his farm first as a home. It is a place for the family to settle down and live. That explains why one sees so many well-cared-for houses and barns. They are symbolic of the permanency so characteristic of the Region.

The Agricultural Adjustment Act of 1938, which became law February 16, 1938, made few changes in the soil-conservation part of the program as applied in the Northeast. Throughout most of the Region, there already was a healthy balance between the acreage of soil-depleting and soil-conserving crops, which meant that there was not as much need for acreage reduction there as in other sections of the country.

While in other parts of the country soil conservation best can be served by shifting some acreage from depleting to conserving crops, the desirable conservation methods in much of the Northeast area consist of such practices as improving existing hay land, pasture, and woodland; growing green-manure and cover crops; mulching vegetable land and orchards; reforestation; and other erosion-control practices. However, on certain farms, shifts from soil-depleting to soil-conserving crops are needed, to promote better balance of production and conservation.

Under the 1938 program, county A. A. A. committees assigned crop-acreage allotments and soil-building goals to each participating farm. The acreage allotment was subdivided into three groups—potato and tobacco acreage allotments, and a total acreage allotment which included all depleting crop-acreages.

PURCHASING POWER HIGHER

The Northeastern farmer's income during the period covered by this report would buy more goods than it would 10 years ago.

Although cash farm income from the sale of crops, livestock, and livestock products in the Northeastern States was but 85 or 90 percent of predepression levels, its real value in terms of buying power was higher than in the pre-1929 era because of the decreases that had occurred in the prices of things farmers buy. In 1937 the money income of Northeastern farmers would buy 10 percent more than in the earlier period. The comparable figure for 1938 was 8 percent.

The cash income of farmers in the nine Northeastern States averaged a little over a billion dollars a year through the years that are apt to be thought of as good years, including and preceding 1929. By 1932 it had sunk to under \$600,000,000, and in 1933 had increased to \$650,000,000. In both years it was about 60 percent of the predepression amount. There was a steady recovery each year after that time, the figure reaching \$921,000,000 in 1937 with a drop to a little over \$850,000,000 in 1938.

The problem of sustaining farmers' incomes under the trying conditions of the present transition period is extremely difficult, but the degree of success that has been obtained up to the present, while not adequate to meet the need, at least gives considerable assurance that the agencies at work are proving effective.

II. PARTICIPATION IN PROGRAM ⁴

Gross payments earned by Northeast farmers for participation in the 1938 program reached nearly \$12,000,000 compared with \$10,324,000 for 1937. The latest revised gross figure for 1938 is \$11,924,866, compared with \$10,323,796 in 1937. The gross figure includes expenses of county agricultural conservation associations. Deductions for that purpose amount to about 10 percent of the total payments. Net payments to farmers for performance totaled \$11,036,111, and deductions in connection with county association expenses \$922,212.

MANY ACRES IMPROVED

Farmers cooperating in the 1938 program earned payments for establishing new seedings of soil-conserving grasses and legumes on approximately 993,091 acres in the Northeast, as compared with 1,205,043 acres in 1937, which was 34 percent more than was planted in 1936.

Other soil-building practices carried out in 1938 included the growing of green-manure crops which provided cover and then were turned under to enrich the soil. This practice was carried out on 424,987 acres, as compared with 360,780 acres in 1937. Mulch totaling 188,138 tons was applied to orchard and vegetable land in 1938, as compared with 135,607 tons applied in 1937.

During 1938 significant advances also were made in forestry practices even though the acreage involved remained comparatively small. In addition, farm woodlots were improved under the special forestry practices added for rehabilitation of woodlands damaged by the hurricane of September 1938. Other practices, which were of local rather than Regional importance, included strip cropping, contour cultivation, and removal of unproductive orchards and vineyards.

⁴ Statistics quoted in this chapter are more recent and may vary slightly from those listed under Appendix B.

USE OF GRANTS-OF-AID

Under the 1938 program most of the Northeast cooperation was confined to carrying out soil-building practices both with and without use of the grants-of-aid provisions for the furnishing of lime and superphosphate in lieu of the cash conservation payment. Tobacco and potato acreages were adjusted under the allotment provisions of the program. General soil-depleting crops also were stabilized with allotments. Furnishing of soil-building materials in place of cash payment was tried out experimentally in five of the nine States of the Region and, due to its success, was extended under the 1939 program to all States except New Jersey.

The indicated increased participation in the 1939 program is largely attributed to the wider use of the grants-of-aid provision for furnishing lime and superphosphate. Many farmers wanted to take part in the soil-building program but were unable to finance the purchase of materials. By supplying lime and superphosphate in place of cash payments it became possible for farmers who could not otherwise obtain materials to get them on the credit of their conservation payment when earned.

The use of limestone to restore soil fertility has been the leading soil-building practice in the Northeast since 1937. Some counties and even entire States report farmers are using 10 times as much lime now as they did before the conservation program was inaugurated in 1936. Lime and phosphorus are required by Northeast soil in order to obtain good stands of legumes and to keep pasture sod in condition. Clovers, alfalfa, and better pastures not only help maintain fertility but also reduce costs of feeding livestock, particularly dairy cows. Use of legume hay in connection with restored pastures with good stands of clovers makes it possible to cut cash outlay for feed for dairy stock from a third to one-half, according to pasture specialists.

MILLION TONS OF LIMESTONE USED

More than a million tons of limestone were applied as part of farmers' participation in the 1938 program. That was over three times the amount of limestone applied for which payments were made in 1936. Orders placed during the first half of 1939 indicated that a new all-time high record will be established for the use of lime under the 1939 program.

Under the grants-of-aid provision the use of superphosphate also has increased. Applications of superphosphate for which payments were earned in 1937 totaled more than 233,000 tons, figured on the basis of 16 percent concentration. This was well over twice the amount on which payment was made in 1936.

An intensive campaign to improve pastures through increased use of lime and superphosphate under the grants-of-aid provision of the program got under way in Pennsylvania during the summer of 1939. The goal sought was to improve three times the acreage of pasture that was treated in 1938. The aim was to get lime and phosphate to 30,000 farmers, which would be more than three times the 8,000 farm pastures upon which fertilizer was applied in 1938. The grants-of-aid provision for materials was limited to use for pasture improvement in Pennsylvania because constant grazing had reduced

the fertility of pasture land in that State, which is so dependent upon dairying.

Only 40,000 acres of the 3,200,000 acres of Pennsylvania pasture land have been improved with lime and phosphate. State authorities estimate that a yearly application of 328,000 tons of lime and 82,000 tons of superphosphate is needed. Yet farmers who participated in the 1937 program applied only 41,870 tons of lime and 6,361 tons of superphosphate to their pastures. In New England, farmers are still using only about 10 percent of the amount of lime needed to maintain the fertility of the soil.

GOOD FARMING PRACTICES INCREASE

In Vermont farmers used from 3,000 to 3,500 tons of lime and about the same amount of superphosphate each year prior to 1933. In 1938 they used 20,998 tons of lime and 26,451 tons of superphosphate. The annual need is estimated at about 283,000 tons of lime and 141,000 tons of superphosphate for cropland and pasture.

Maine farmers used from 3,000 to 9,000 tons of lime annually prior to 1935. In 1938 they spread 32,370 tons. The use of superphosphate has increased from practically none before the program to 9,198 tons in 1938. The use of potash has increased from practically none before 1936 to 680 tons in 1938. New seedings increased from 61,877 acres in 1936 to 97,398 acres in 1938, and the planting of green-manure crops from 15,000 acres to 19,000 acres in 1938.

New Hampshire farmers in 1936 used 1,104 tons of 16 percent superphosphate; in 1938 they used 5,421 tons. The use of potash increased from 127 tons in 1936 to 381 tons in 1938; lime from 5,321 tons to 12,967 tons; and orchard mulching material from 858 tons in 1937 to 2,219 tons in 1938. Acreage of woodland improved in 1937 was 2,028; in 1938 New Hampshire farmers improved 2,988 acres.

In 1936 New York farmers used 57,845 tons of superphosphate and 144,357 tons of lime; in 1938 they used 74,509 tons of superphosphate and 275,494 tons of lime. In 1936 they reforested 868 acres; in 1938 they reforested 2,827 acres.

Use of limestone in Connecticut has increased about 300 percent since the A. A. A. program started, according to estimates made in the State. It is expected that about 38,000 tons will be used in 1939.

III. PROGRAMS FOR SPECIAL CROPS

Under the 1937 program, in diversion areas, payments were made for diverting potato lands from the general soil-depleting base. In nondiversion areas special rates applied for green-manure crops grown on potato land.

Potatoes were first classified as an allotment crop in the 1938 program as a result of a Nation-wide referendum on the proposal in 1937. Commercial potato growers in the Northeast voted about 8 to 1 in favor of potato allotments. The national potato goal for 1938 was established at between 3,100,000 acres and 3,300,000 acres, which is the same goal range tentatively fixed for 1939. The goal represents the acreage believed to be sufficient to grow all the potatoes the country needs and which with normal yields would give the growers

a fair return for the potatoes marketed. In assigning the individual allotments, county committees make some allowance for conditions on particular farms. The allotments do not apply to farmers who do not grow potatoes on a commercial scale.

CIGAR TOBACCO GROWERS IN PROGRAM

The farm program provides two methods by which cigar tobacco growers can help maintain supply in balance with demand. First, the farm acreage allotments set up by the county committees provide, with normal yields, for production of a crop which will maintain the supply at a normal relationship with the amount used. In addition, if the total supply becomes excessive, that is, more than 5 percent above the normal level, producers may establish quotas to limit the quantity of tobacco marketed. There are other factors such as weather which will affect the supply, but general participation in the acreage-allotment part of the program is usually adequate to keep the supply in balance with demand, so that marketing quotas need not be invoked.

ACREAGE ALLOTMENTS

Potato and tobacco allotments are directly in the interest of many farmers in the Northeast. For most farmers in the Region, however, it was found that general crop acreage allotments were not so important as a means of encouraging acreage adjustment, so the general acreage allotment was dropped from the Northeast program for 1939. The entire Region was given a "C" area designation under which no payment was made for diverting general soil-depleting crops, and total soil-depleting acreage allotments were not established. This system better adapts the program to the agricultural economy of the Region. Corn and vegetable acreage limits, equal to the acreage usually grown, were established for 1939, in addition to the special acreage allotments for potatoes, tobacco, and wheat.

IV. DEVELOPMENTS UNDER 1939 PROGRAM

The 1939 program is much the same as that for 1938. Farmers who cooperate by carrying out on their farms those steps in good farming which are called soil-conserving or soil-building practices, and who help to prevent overproduction by stabilizing their acreages of commercial potatoes, wheat, tobacco, commercial vegetables, and corn for grain, are given financial assistance in meeting the expenses of their cooperation. The soil-building practices, in general, are similar to those included in the 1938 program.

The 1939 vegetable program is entirely different. In 1938 the Northeast was the only region which had a vegetable program. In 1939 commercial vegetables are included in the national program. This provision applies, however, only to farms in designated commercial vegetable areas. The acreage allotted to each farm is its usual acreage and does not represent a reduction. Allotments are made to each farm in the vegetable areas which normally grows 3 or more acres of vegetables for market.

The more important changes in the 1939 program from that of 1938 include the dropping of the so-called general and total soil-depleting crop allotments which have been features of previous programs, and placing emphasis on the stabilization of acreage of the major soil-depleting crops in the Region.

SPECIAL FARM FORESTRY PRACTICES

A special farm forestry practice for areas of New England and Long Island, N. Y., damaged by the hurricane of September 1938, was added to the 1939 conservation program for the Northeast. Payments for this practice were in addition to other forestry practices provided by the conservation program. Payment was at the rate of \$4 per acre of farm woodland up to a maximum of 15 acres, or \$60. These payments were earned by cleaning up damaged woodlands to permit new growth and reduce fire hazard.

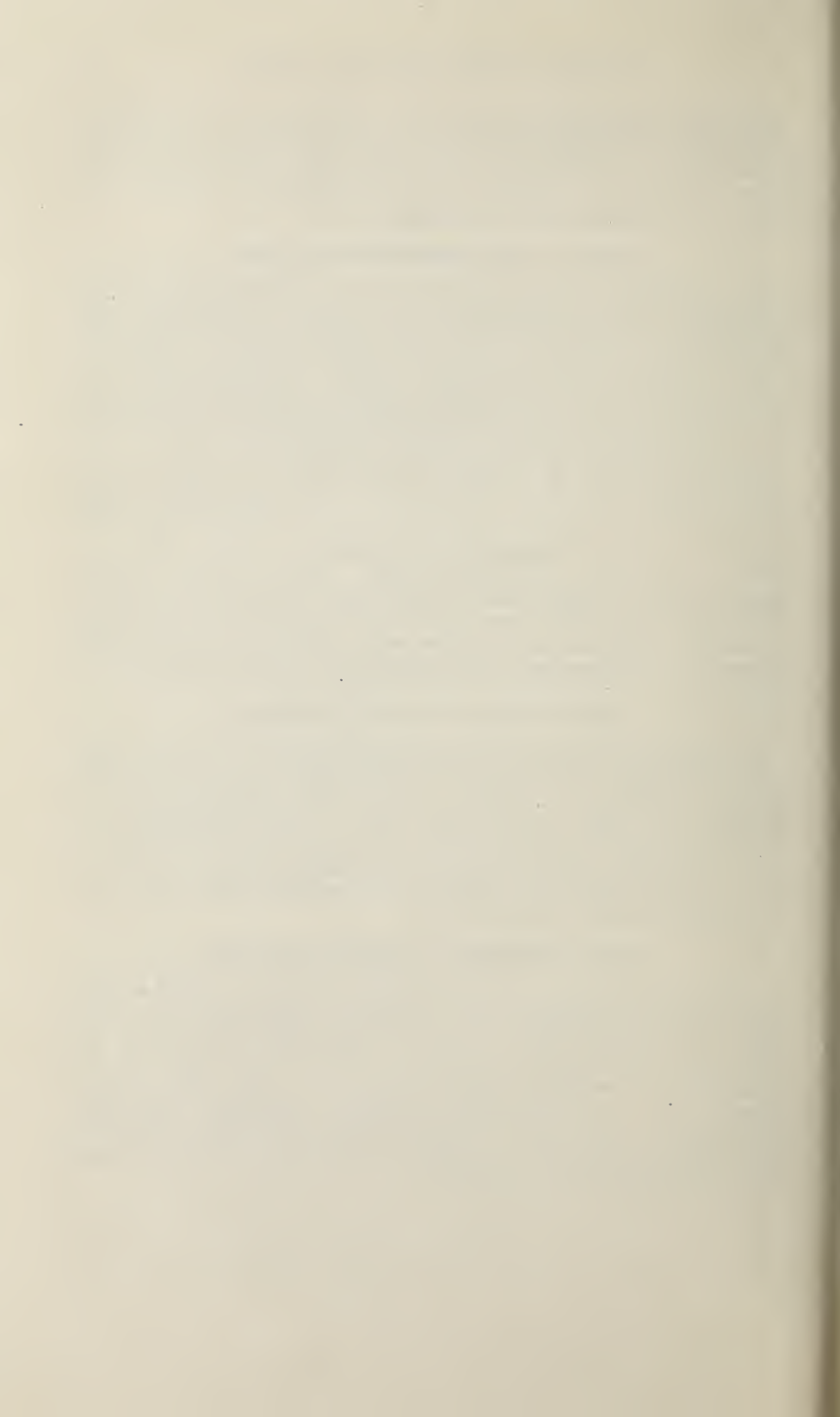
The United States Forest Service estimated that 4 billion board feet of timber were blown down by the hurricane, which is eight times the average annual cut in New England. Nearly half of the farmland in the area damaged by the storm is in timber, which contributes substantially to the farm income. On the basis of available figures, there were approximately 6,500 farm wood lots on March 1 which had applied for this special practice. Of this number, approximately 5,000 farm wood lots with 55,000 acres of woodland entered for clean-up had been approved by county committees on that date.

LARGER PARTICIPATION INDICATED

Preliminary estimates of Northeast participation in the 1939 program indicated an all-time high for the Region. Increased participation is attributed to a greater understanding and appreciation by farmers of the need for soil conservation. Total Northeast participation in the 1939 program is expected to reach about 220,000 of the estimated 324,000 commercial farms in the Region, or over 70 percent. On the basis of sign-ups completed by mid-April 1939, every State reported an increase in participation.

WHEAT FARMERS USE CROP INSURANCE

Nearly 3,000 wheat growers in the three Northeastern States which grow wheat, Pennsylvania, New York, and New Jersey, had their 1939 crop protected from serious loss through insurance with the Federal Crop Insurance Corporation. Their policies insured a total production of 589,493 bushels of wheat on 38,941 acres. Wheat growers had a favorable winter generally throughout the Region. Although there was injury in some sections from such causes as hail, flood, winter-killing, and severe spring-heaving, there was no complete loss of crop reported by any farm.



CHAPTER 9

PROGRAM IN THE INSULAR REGION

The Insular Region, comprising Alaska, Hawaii, and Puerto Rico, includes a wide range of agricultural conditions and enterprises. The agricultural conservation program for the Region represents an adaptation of the national program to the adjustment and conservation problems of the Region.

The 1938 program included acreage allotments for tobacco in Puerto Rico, but more than two-thirds of the payments were made for carrying out soil-building practices. The principal practices included in the program were planting conserving crops, reseeding pasture and range land, planting and maintaining trees, and erosion-control practices such as terracing, ditching, and contour planting.

Approximately 68,000 farmers in the Region participated in the 1938 program, compared with 55,000 in 1937. The number participating in 1938 comprised nearly 95 percent of the total number of farmers in the Region, and their farms included approximately 1,000,000 acres of cropland and 1,000,000 acres of pasture and range land. Total payments for the Insular Region under the 1938 program are estimated at \$1,560,000.

CHAPTER 10

ACTIVITIES OF THE CONSUMERS' COUNSEL DIVISION

The unmistakable growth of the consumer movement during 1938-39 was reflected in an increasing demand for service from the Consumers' Counsel Division. With greater insistence than ever before, both rural and urban families are asking: How can we raise our standard of living through the wise use of our individual and group buying power?

I. DEVELOPMENTS IN CONSUMER ACTIVITIES

In their search for information and counsel on budgetary problems, on intelligent selection of goods and services, on prices and costs of commodities, these consumers turn both to Government and business for help. The work of the Consumers' Counsel Division has been to provide, within its field, a part of the help that consumers are asking from Government. In the field of business, a significant development is the growing readiness to appraise policies in the light of consumer demands. This has been evidenced by the first Business-Consumer Relations Conference on advertising and selling, held by the National Association of Better Business Bureaus, published reports on the consumer movement by the American Retail Federation and a leading business magazine, and continued growth of the National Consumer-Retailer Council. Schools are also making adjustments in their curricula to include more consumer education. The Consumers' Counsel Division has been informed that 211 school systems have inaugurated courses dealing exclusively with consumer problems. This count is indicative of a trend, and is not complete.

CONSUMERS ASK MORE QUESTIONS

Embraced in the consumer movement are more than 5,000,000 men and women who are engaged in finding answers to such questions as these: What standards of quality exist now or can be developed to enable consumers to compare products and prices? How should products be used to insure the most efficient and economic service? How much of the price consumers pay goes to farmers and to workers? How much is due to special services offered consumers? How can an adequate supply of goods and services be assured at prices all consumers can afford?

Other large groups of consumers, predominantly in rural areas, are engaged in the cooperative purchase of farm and household necessities.

The amount of cooperative buying done by farm families in 1936-37 was \$400,000,000; in 1937-38, \$440,000,000; in 1938-39, \$416,000,000. The drop in the dollar value of these purchases in the last year was due chiefly to lower prices rather than a reduced physical volume. The latest available figures on urban cooperative enterprise are for 1936 when sales totaled \$70,000,000.

An increasing number of consumers are now concerning themselves with the administration of laws affecting the price and quality of goods marketed. Thus, they have appeared before the Food and Drug Administration to present the consumer interest in regulations controlling the use of coal-tar dyes in foods, drugs, and cosmetics, and in the establishment of standards of identity, fill, and quality for foods. Other consumers appeared, during the year, before the A. A. A. on questions involved in marketing agreements; before the Federal Trade Commission on trade-practice rules affecting fabric identification; before the Temporary National Economic Committee on difficulties confronting consumers in making their purchases.

In greater numbers than in any preceding year, consumers have requested of the Consumers' Counsel Division buying information on almost every kind of commodity, price-and-supply information, suggestions for study courses, guidance on problems arising from the operation of cooperatives, advice on the problems of conducting forums and discussion groups, advice on the organization of conferences, exhibit material, assistance in the preparation of material for presentation before hearings in Federal agencies, assistance in coordinating consumer activities, and finally, speakers for meetings. Such requests totalled over 35,000 during the year, almost three times the number received 2 years earlier.

During 1938-39 the Consumers' Counsel Division undertook to expand its services to meet the increased demands upon it while operating within the framework of its two major responsibilities: (1) The representation of consumer interests in the formulation and administration of the various phases of the farm program, and (2) the promotion of a more efficient utilization of farm products by compiling and publishing information enabling consumers (*a*) to understand farm problems which affect them, and (*b*) to receive help in the intelligent selection and utilization of farm products.

Economists from the Division during 1938 attended conferences and hearings on, and undertook studies of the effects of, agricultural conservation programs, marketing agreements, and proposals for the diversion of surplus farm products. After attempting to determine the effect of these proposals upon prices and supplies, the Consumers' Counsel Division then recommended the acceptance, the modification, or the rejection of the various programs.

Considerable activity throughout the year was devoted to furnishing information to consumer groups on the milk marketing agreement and order program. This work involved research into the history and operations of sundry milk markets, analysis of various legislative measures, and the study of marketing devices affecting the consumption of milk. The Division explored new possibilities for expanding the consumption of milk by low-income and relief groups, and cooperated with the Dairy Section in developing specific

proposals directed toward accomplishing this end. Educational work was also done to develop a better understanding by consumers of the highly technical and complex problems surrounding the marketing of milk.

A special responsibility rests upon the Division in connection with the consumer-protection provisions of the Sugar Act of 1937. In administering this law the Secretary of Agriculture is required to take account of sugar consumption, prospective changes in population, and consumer incomes. The Division assisted the Sugar Division in preparing the technical information necessary for determination of sugar quotas.

Complementing the work on specific programs, the research section of the Division has conducted continuous studies of the retail prices of farm products, spreads between retail and farm prices, processors' margins, distribution costs, and of the financial statements of processors. As a basis for a study of possible increased markets for cotton goods, the Division cooperated with the Bureau of Home Economics in the analysis of expenditures for clothing by families at different income levels, of different compositions, and different occupational groups.

Assistance was also given by the Division through its information service to the development of the school-lunch program, and the Food Order Stamp Plan of the Federal Surplus Commodities Corporation.

In response to an appeal for help from the committee for the improvement of the Philadelphia (Pennsylvania) market, the Division has been counseling with growers, dealers, and consumers in that city as to the modernization of marketing facilities for perishable foods. Both the Bureau of Agricultural Economics and the State marketing agencies in Pennsylvania and New Jersey cooperated with the Division in this activity, which looks toward a reduction in costs to consumers and of losses to growers.

The Division has continued to participate in the work of the special committees within the Department insofar as they deal with problems affected with a consumer interest.

II. INFORMATION SERVICES

The Division publishes the Consumers' Guide; broadcasts over a Nation-wide network a weekly program on consumer problems; handles a large volume of correspondence; supplies speakers and exhibits for meetings, conferences, and conventions; publishes the Consumers Market Service; and performs other informational services for consumers.

Of all these activities the most important has been the publication of the Consumers' Guide, an illustrated bulletin with a circulation of 135,000 copies, which appears twice a month from October through May and once a month from June through September.

CONSUMERS' GUIDE

Subscribers to the Consumers' Guide include housewives, teachers, students, and representatives from almost every trade and profession.

Guide articles during the year have supplied consumers with information on the intelligent and economic selection and utilization of farm products, on the operations of the farm program, on activities of Government agencies in behalf of consumers, and on general aids in buying which would enable low-income families to spend their earnings more efficiently. During the year articles appeared on the range and wheat programs of the A. A. A., on the food order stamp plan, on the school-lunch program, on the utilization of cotton through the W. P. A. sewing programs, on consumer credit, and on the distribution and consumption of milk. Regular reports are carried on changes in prices and supplies of foods.

The fact that Consumers' Guide articles are reprinted widely in general magazines, and in farm, labor, and trade papers, is evidence of the need for the type of information made available in this publication.

Marking the fifth anniversary of the Consumers' Guide, a special issue was published which was given over entirely to a picture interpretation of income distribution in the United States. This was based on material collected by the National Resources Committee and published in more technical form in "Consumer Incomes in the United States."

Requests for information on consumer education and on possible courses for the study of consumer problems led the Division during the year to prepare a study plan based upon material published in the Consumers' Guide. To permit the wide use of the course by consumer groups, reprints of Consumers' Guide articles to which reference was made in the course are attached to the plan of study. More than 1,500 of the study courses were distributed during the year.

A Consumers' Guide article dealing with the farm program in relation to national welfare suggested to Consumers' Guide readers that any six people could form their own study club. In the brief time since the publication of this article, 500 requests for study material have been received.

OTHER PUBLICATIONS

During the year it was also necessary to print second editions of two Consumers' Counsel publications, the Consumers' Bookshelf and the Cooperative Bookshelf. These publications, which sell for 15 cents and 5 cents, respectively, are bibliographies of free or low-cost publications of interest to consumers.

RADIO

Once a week during the year, over a national network, the Consumers' Counsel Division, with the collaboration of the General Federation of Women's Clubs, has broadcast discussions of consumer problems.

As in the Consumers' Guide, this weekly radio program presents in easy informal style information on the farm program and the use of farm products, and news about the activities of Government agencies which are of concern to consumers.

CONSUMERS' MARKET SERVICE

Reaching more than 3,500 persons semimonthly, the Consumers' Market Service, a two-page mimeographed bulletin, fills a need for food price-and-supply information for persons untrained in the handling of technical market data who make bulk purchases for consumer groups and public institutions.

CONSUMER NOTES

At the request of editors of labor, consumer, and cooperative publications, the Consumers' Counsel Division inaugurated a clip-sheet service. Under the title, Consumer Notes, this service provides two pages of succinct paragraphs containing useful buying information for consumers. These notes are now printed as a regular feature of more than 100 daily, weekly, biweekly, and monthly papers.

EXHIBITS

Posters, charts, pictures, graphs, presenting dramatically the information assembled by the Consumers' Counsel Division, have been displayed during the year at the San Francisco Fair, the Seventh Annual Poultry Congress, at national conventions of consumer cooperative and labor organizations.

In addition, writers of textbooks on matters of consumer interest, writers of articles about consumers, and editors of trade papers have requested and received copies of photographs which have appeared in the Consumers' Guide during the year.

CORRESPONDENCE

Main stream of direct communication between consumers and the Consumers' Counsel Division is by mail. The number of letters requesting information from the Consumers' Counsel Division has risen from an annual total of 10,304 in 1936 to 35,393 in 1938-39. Requests for information come from trade associations, labor unions, and business concerns, as well as from homemakers, students, teachers, and marketing officials. Largest proportion of the mail, however, consists of requests from individuals with personal or family buying problems.

Under pressure of the growing number of inquiries the Consumers' Counsel Division has built up a Consumer Information File containing more than 10,000 newspaper and magazine clippings, and pamphlets, in addition to references to pages in standard treatises. These files now serve a useful purpose as a source of immediate information on a wide variety of consumer subjects.

III. CONSUMER STANDARDS PROJECT

Since July 1938, the Consumers' Counsel Division has undertaken the sponsorship of a W. P. A. Federal project, known as the Consumer Standards Project. This activity, which had previously been conducted as the Consumers' Project under the direction of the Department of Labor, provides employment for 150 clerical workers from relief rolls.

During the year the project was engaged on the following activities:

A survey of Federal, State, and municipal trade standards for consumer goods, with particular reference to economic aspects of grades, labels, and standards for consumer goods.

A survey of consumer goods standards in foreign countries, as established by government, standardization agencies, and trade bodies.

The organization and classification of the files of Consumers' Advisory Board of the National Recovery Administration and of the Consumers' Division of the National Emergency Council.

A study, undertaken with the cooperation of the National Consumer-Retailer Council, of the type of information desired by consumers, retailers, and manufacturers on the labels of 12 articles usually purchased by consumers.

A study of weights-and-measures laws and their administration throughout the country.

A study of the method of teaching and the material taught in consumer education courses throughout the country.

Compilation of a library and card index file on consumer information.

A survey of cooperative purchasing organizations and the framing of a model cooperative law.

A study of the relationship of meat grades to the palatability of the meat.

CHAPTER 11

FINANCIAL REPORT

Total certifications for payments and obligations under the 1938 Agricultural Conservation Program amounted to \$499,999,278 through June 30, 1939.

Of this total, \$461,549,278.39 represents payments disbursed or due to be disbursed to cooperators in the 1938 Agricultural Conservation Program, together with national and local administrative expense. Obligations of approximately \$38,450,000 also were incurred in carrying out other activities authorized under the appropriation for the Agricultural Conservation Program. When final adjustments are made it is anticipated that expenditures will approximate the \$500,000,000 appropriated for these purposes.

Other obligations incurred included the following: \$4,000,000 for the establishment of regional laboratories and development of new uses and markets for agricultural commodities; \$101,500 in connection with proceedings regarding freight-rate adjustments affecting agricultural products; \$23,200,000 under Section 12 of the Soil Conservation and Domestic Allotment Act, as amended, to supplement Section 32 funds; \$5,200,000 for advance payments on the 1939 program covering grants-of-aid in seed, lime, and fertilizer; \$6,000,000 advances to county associations of farmers for carrying into effect the 1939 Agricultural Conservation Program, which is deductible from payments to be earned under that program.

These figures are not to be confused with the 1938 program figures shown in the "Statement of Expenditures—July 1, 1938 to June 30, 1939," issued by the A. A. A. Division of Fiscal Management, Control Accounts and Reports Section. The "Statement of Expenditures" shows actual disbursements by disbursing offices, while the amounts shown above represent obligations incurred under the 1938 Agricultural Conservation Program appropriation.

EXPENDITURES DURING FISCAL YEAR ENDING JUNE 30, 1939

The expenditures of the Agricultural Adjustment Administration during the fiscal year totaled \$621,598,497.35. This does not include payments for purchase and diversion of agricultural commodities and payments under the Sugar Act of 1937.

The purposes for which these expenditures were made are shown in the following tabulations:

Agricultural conservation payments.....	\$456, 335, 724. 04
1937 cotton price-adjustment payments.....	121, 663, 661. 65
Payments, Price Adjustment Act of 1938.....	22, 826, 045. 62
Miscellaneous expenditures.....	1, 141, 242. 78
Expenses for all programs administered by the A. A. A.....	19, 631, 823. 26
Total.....	621, 598, 497. 35

AGRICULTURAL CONSERVATION PAYMENTS

During the fiscal year ending June 30, 1939, conservation payments were made under the various conservation programs as follows:

1936 agricultural conservation program-----	\$20, 663. 98
1937 agricultural conservation program-----	35, 895, 295. 14
1938 agricultural conservation program-----	403, 127, 524. 77
1939 agricultural conservation program-----	17, 292, 240. 15
Total-----	456, 335, 724. 04

THE 1937 COTTON PRICE ADJUSTMENT ACT

The act of August 25, 1937 (Public, No. 354), appropriated \$130,000,000 of "Section 32" funds for price-adjustment payments to 1937 cotton producers to make up in part for the drop in the price of cotton and give them a better return for their crop. Payments were made on the 1937 crop only, up to 60 percent of the producer's 1937 base production or on actual production if less than 60 percent of 1937 base production. To obtain these payments, producers were required to furnish proof of compliance with the 1938 program. Such payments during the fiscal year ending June 30, 1939, totaled \$121,663,661.65.

PRICE ADJUSTMENT ACT OF 1938

The Agricultural Adjustment Act of 1938 authorized "parity" payments to producers of cotton, wheat, corn, rice, and tobacco, if and when appropriations were made for such payments.

Under the Price Adjustment Act of 1938, \$212,000,000 was appropriated for price-adjustment payments to be apportioned among the five commodities as follows: One-half of the sum on the basis of the amount by which each commodity fails to reach parity, and one-half on the same basis as that on which funds are apportioned for the same commodities under the 1939 Agricultural Conservation Program. In no case is the rate to exceed the difference between the average farm price of the commodity and 75 percent of the parity price for the period from the beginning of the marketing year to January 31, 1939.

Payments are to be made to producers who plant within their 1939 acreage allotments of the basic commodities. During the fiscal year ending June 30, 1939, these payments amounted to \$22,826,045.62.

MISCELLANEOUS EXPENDITURES

Included in this item are payments and refunds made in connection with various programs, the principal item being payments for retirement of cotton pool participation trust certificates. The Department of Agriculture Appropriation Act for the fiscal year ending June 30, 1939, provided \$1,800,000 for the retirement of these certificates.

**PAYMENTS TO PRODUCERS, JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE,
FOR COOPERATING IN THE 1936 PROGRAM**

	Total	Conservation payments	County as- sociations
Southern division:			
South Carolina.....	\$2,120.84	\$2,120.84	-----
Georgia.....	2,714.02	2,714.02	-----
Florida.....	98.26	98.26	-----
Alabama.....	6,735.64	6,735.64	-----
Mississippi.....	639.81	639.81	-----
Arkansas.....	8,452.49	8,452.49	-----
Louisiana.....	3,987.20	3,987.20	-----
Oklahoma.....	3,370.32	3,370.32	-----
Texas.....	46,507.76	46,507.76	-----
Total.....	51,288.82	51,288.82	-----
East Central division:			
Maryland.....	315.67	315.67	-----
Delaware.....	14.89	14.89	-----
Virginia.....	101.77	101.77	-----
West Virginia.....	123.47	123.47	-----
North Carolina.....	4,483.72	4,483.72	-----
Kentucky.....	1,124.29	1,124.29	-----
Tennessee.....	1,838.32	1,838.32	-----
Total.....	7,798.59	7,798.59	-----
Northeast division:			
Maine.....	52.26	52.26	-----
New York.....	241.21	241.21	-----
New Jersey.....	49.00	49.00	-----
Pennsylvania.....	114.98	114.98	-----
Total.....	457.45	457.45	-----
North Central division:			
Ohio.....	317.76	249.84	\$67.92
Indiana.....	786.65	786.65	-----
Illinois.....	776.26	773.71	2.55
Michigan.....	257.06	223.31	33.75
Wisconsin.....	5,508.52	5,508.52	-----
Minnesota.....	788.66	779.66	9.00
Iowa.....	1,782.80	1,782.80	-----
Missouri.....	2,263.44	2,257.95	5.49
South Dakota.....	633.97	633.97	-----
Nebraska.....	3,303.02	3,303.02	-----
Total.....	1,125.64	1,215.37	89.73
Western division:			
North Dakota.....	20,756.73	20,756.73	-----
Kansas.....	3,025.76	3,013.76	12.00
Montana.....	1,955.66	1,955.66	-----
Idaho.....	1,915.31	1,915.31	-----
Wyoming.....	901.81	901.81	-----
Colorado.....	380.12	380.12	-----
New Mexico.....	3,402.46	3,428.63	26.17
Utah.....	562.37	562.37	-----
Washington.....	22.98	22.98	-----
Oregon.....	119.02	139.36	20.34
California.....	897.11	897.11	-----
Total.....	14,404.41	14,569.90	34.51
Insular division:			
Puerto Rico.....	1,247.10	1,247.10	-----
Undistributed.....	26,849.21	26,849.21	-----
GRAND TOTAL.....	20,663.98	20,788.22	124.24

NOTE.—Italicized figures represent credits.

**PAYMENTS TO PRODUCERS, JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE,
FOR COOPERATING IN THE 1937 PROGRAM**

	Total	Conservation payments	Cotton price adjustment payments	County associa- tions
Southern division:				
South Carolina	\$8,461,889.92	\$888,051.52	\$7,573,838.40	
Georgia	14,611,815.53	4,124,097.70	10,487,717.83	
Florida	517,108.55	244,480.18	272,628.37	
Alabama	15,596,455.92	4,871,851.41	10,724,599.51	\$5.00
Mississippi	14,443,327.71	1,019,417.13	13,424,384.13	473.55
Arkansas	12,702,902.49	974,697.67	11,727,993.82	211.00
Louisiana	7,900,412.36	1,862,967.37	6,037,444.99	
Oklahoma	9,867,979.95	1,427,544.33	8,440,435.62	
Texas	36,974,550.33	2,908,638.28	34,066,054.80	142.75
Total	121,076,442.76	18,321,745.59	102,755,097.47	400.30
East Central division:				
Maryland	153,731.86	153,731.86		
Delaware	2,329.60	3,675.98		6,005.58
Virginia	1,081,323.57	731,760.88	342,720.36	6,842.33
West Virginia	91,008.86	90,307.46		701.40
North Carolina	8,069,322.88	1,659,512.44	6,409,336.89	473.55
Kentucky	501,625.38	391,965.54	109,659.84	
Tennessee	5,273,805.36	1,005,332.04	4,265,865.07	2,608.25
Total	15,168,488.31	4,036,286.20	11,127,582.16	4,619.95
Northeast division:				
Maine	936.43	936.43		
New Hampshire	250.98	250.98		
Vermont	806.57	806.57		
Massachusetts	1,400.28	1,400.28		
Rhode Island	123.25	123.25		
Connecticut	2,168.96	2,168.96		
New York	12,072.17	12,072.17		
New Jersey	1,843.71	1,843.71		
Pennsylvania	6,869.51	6,869.51		
Total	26,471.86	26,471.86		
North Central division:				
Ohio	688,168.71	687,223.40		945.31
Indiana	541,487.60	541,487.60		
Illinois	385,619.82	370,591.17	15,025.17	3.48
Michigan	641,319.09	641,319.09		
Wisconsin	486,006.90	486,006.90		
Minnesota	390,265.83	390,265.83		
Iowa	931,504.70	931,504.70		
Missouri	4,673,764.39	2,476,793.88	2,196,837.66	132.85
South Dakota	342,730.95	342,730.95		
Nebraska	213,351.57	213,340.07		11.50
Total	9,294,219.56	7,081,263.59	2,211,862.83	1,093.14
Western division:				
North Dakota	818,660.35	818,519.94		140.41
Kansas	477,670.95	474,833.45	3,030.48	192.98
Montana	404,066.27	403,671.64		394.63
Idaho	342,994.81	342,701.29		293.52
Wyoming	153,892.80	153,848.18		44.62
Colorado	1,210,936.38	1,210,007.17		929.21
New Mexico	1,024,779.59	245,106.79	779,666.20	6.60
Arizona	1,629,189.65	66,154.60	1,562,722.50	312.55
Utah	200,984.83	201,241.50		256.67
Nevada	2,130.93	2,130.93		
Washington	82,039.37	82,114.19		74.82
Oregon	120,371.46	120,129.65		241.81
California	3,964,826.00	709,639.29	3,255,195.97	9.26
Total	10,432,543.39	4,830,098.62	5,600,615.15	1,829.62
Insular division:				
Alaska	238.34	238.34		
Hawaii	145,398.78	145,398.78		
Puerto Rico	1,479,248.82	1,479,248.82		
Total	1,624,885.94	1,624,885.94		
Undistributed	64,095.03	52,599.07	11,495.96	
Grand total	157,558,956.79	35,888,152.73	121,663,661.65	7,142.41

NOTE.—Italicized figures represent credits.

**PAYMENTS TO PRODUCERS, JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE,
FOR COOPERATING IN THE 1938 PROGRAM**

	Total	Conservation payments	County asso- ciations
Southern division:			
South Carolina.....	\$11,885,937.46	\$11,275,564.91	\$610,372.55
Georgia.....	16,047,288.84	14,865,230.80	1,182,058.04
Florida.....	2,869,086.85	2,680,184.76	188,902.09
Alabama.....	16,592,387.59	15,607,321.39	985,066.20
Mississippi.....	21,575,521.57	20,788,647.00	786,874.57
Arkansas.....	15,444,851.75	14,944,177.72	500,674.03
Louisiana.....	8,592,755.94	7,997,729.59	595,026.35
Oklahoma.....	14,972,760.54	13,968,604.01	1,004,156.53
Texas.....	53,300,734.55	50,880,190.33	2,420,544.22
Total.....	161,281,325.09	153,007,650.51	8,273,674.58
East Central division:			
Maryland.....	1,511,692.12	1,388,954.92	122,737.20
Delaware.....	577,965.24	555,377.96	22,587.28
Virginia.....	4,262,782.46	3,782,475.19	480,307.27
West Virginia.....	1,218,068.04	1,069,306.35	148,761.69
North Carolina.....	12,719,711.04	11,664,721.30	1,054,989.74
Kentucky.....	8,933,595.89	8,109,919.91	823,675.98
Tennessee.....	10,129,718.80	9,385,143.62	744,575.18
Total.....	39,353,533.59	35,955,899.25	3,397,634.34
Northeast division:			
Maine.....	1,896,734.18	1,803,943.48	92,790.70
New Hampshire.....	191,318.49	177,955.69	13,362.80
Vermont.....	537,178.88	520,839.88	10,339.00
Massachusetts.....	436,666.77	401,431.15	35,235.62
Rhode Island.....	34,965.34	32,039.23	2,926.11
Connecticut.....	441,867.19	418,427.87	23,439.32
New York.....	3,295,551.23	3,081,629.68	213,921.55
New Jersey.....	1,149,621.42	1,104,948.81	44,672.61
Pennsylvania.....	3,584,991.98	3,335,442.76	249,549.22
Total.....	11,568,895.48	10,882,658.55	686,236.93
North Central division:			
Ohio.....	8,832,450.20	7,799,294.92	1,033,155.28
Indiana.....	10,139,431.67	9,334,177.14	805,254.53
Illinois.....	18,091,704.97	16,974,494.98	1,117,209.99
Michigan.....	6,389,991.11	5,656,621.94	733,369.17
Wisconsin.....	9,525,443.34	8,889,423.02	636,020.32
Minnesota.....	15,418,798.09	14,567,960.41	850,837.68
Iowa.....	27,720,850.41	26,666,457.52	1,054,392.89
Missouri.....	11,133,145.53	9,743,603.65	1,389,541.88
South Dakota.....	13,742,562.67	13,059,399.23	683,163.44
Nebraska.....	13,033,909.61	11,993,196.08	1,040,713.53
Total.....	134,028,287.60	124,684,628.89	9,343,658.71
Western division:			
North Dakota.....	14,999,614.62	14,324,930.24	674,684.38
Kansas.....	14,992,925.41	14,199,053.03	793,872.38
Montana.....	4,945,664.49	4,594,825.72	350,838.77
Idaho.....	2,030,339.91	1,682,029.76	348,310.15
Wyoming.....	1,460,275.17	1,324,583.10	135,692.07
Colorado.....	3,228,630.21	2,855,269.91	373,360.30
New Mexico.....	1,449,676.86	1,259,269.52	190,407.34
Arizona.....	2,441,741.66	2,388,212.37	53,529.29
Utah.....	433,923.65	335,345.95	98,577.70
Nevada.....	119,723.18	99,918.04	19,805.14
Washington.....	3,260,062.59	3,034,773.13	225,289.46
Oregon.....	2,711,093.84	2,557,314.82	153,779.02
California.....	4,725,835.92	4,329,251.26	396,584.66
Total.....	56,799,507.51	52,984,776.85	3,814,730.66
Insular division:			
Alaska.....	1,008.60	1,008.60	-----
Hawaii.....	98,554.12	98,554.12	-----
Total.....	99,562.72	99,562.72	-----
Undistributed.....	3,587.22	3,492.39	94.83
Grand total.....	403,127,524.77	377,611,684.38	25,515,840.39

**PAYMENTS TO PRODUCERS, JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE,
FOR COOPERATING IN THE 1939 PROGRAM**

	Total	Conserva- tion payments	Payments, Price Adjust- ment Act of 1938	County as- sociations
Southern division:				
South Carolina.....	\$328,364.38	\$100,989.88		\$227,374.50
Georgia.....	430,988.14	661.71	\$3,613.00	426,713.43
Florida.....	85,889.35			85,889.35
Alabama.....	444,810.85	33,782.62	479.71	410,548.52
Mississippi.....	285,328.09			285,328.09
Arkansas.....	316,113.92	61,605.77	3,960.38	250,547.77
Louisiana.....	262,060.72			262,060.72
Oklahoma.....	3,064,896.08		2,586,988.35	477,907.73
Texas.....	3,770,561.14		2,596,766.13	1,173,795.01
Total.....	8,989,012.67	197,039.98	5,191,807.57	3,600,165.12
East Central division:				
Maryland.....	355,722.26	1,660.94	301,734.42	52,326.90
Delaware.....	124,597.23		106,789.21	17,808.02
Virginia.....	642,925.62	380,259.33	85,592.65	177,073.64
West Virginia.....	465,004.78	397,603.21	30,160.21	37,241.36
North Carolina.....	804,936.17	127,581.16	39,228.51	638,126.50
Kentucky.....	1,029,895.88	636,997.12	73,050.33	319,848.43
Tennessee.....	785,710.42	342,518.75	91,162.24	352,029.43
Total.....	4,208,792.36	1,886,620.51	727,717.57	1,594,454.28
Northeast division:				
Maine.....	257,013.70	224,076.83		32,936.87
New Hampshire.....	207,871.94	191,633.91		16,238.03
Vermont.....	461,501.00	450,409.97		11,091.03
Massachusetts.....	139,023.18	117,343.39		21,679.79
Rhode Island.....	20,641.91	17,364.06		3,277.85
Connecticut.....	107,873.48	93,602.38		14,271.10
New York.....	237,996.35		59,483.94	178,512.41
New Jersey.....	41,481.76		343.44	41,138.32
Pennsylvania.....	631,973.49		378,078.57	253,894.92
Total.....	2,105,376.81	1,094,430.54	437,905.95	573,040.32
North Central division:				
Ohio.....	1,463,736.55		816,113.83	647,622.72
Indiana.....	1,308,708.37		825,296.70	483,411.67
Illinois.....	1,823,348.02		1,219,803.02	603,545.00
Michigan.....	965,838.50		498,103.90	467,734.60
Wisconsin.....	428,415.57			428,415.57
Minnesota.....	546,593.76	28,871.30	2,417.16	515,305.30
Iowa.....	807,071.82		240,103.95	566,967.87
Missouri.....	1,495,523.94		712,873.12	782,650.82
South Dakota.....	385,538.75		1,260.73	384,278.02
Nebraska.....	1,900,128.73	329.01	1,262,103.57	637,696.15
Total.....	11,124,904.01	29,200.31	5,578,075.98	5,517,627.72
Western division:				
North Dakota.....	645,715.64	274,820.05		370,895.59
Kansas.....	8,432,119.33		7,970,009.11	462,110.22
Montana.....	327,692.16	141,530.14		186,162.02
Idaho.....	756,312.81	518.81	558,453.72	197,340.28
Wyoming.....	81,014.18	754.56		80,259.62
Colorado.....	317,974.94	1,150.88	138,854.45	177,969.61
New Mexico.....	184,510.62		57,521.28	126,989.34
Arizona.....	41,038.31			41,038.31
Utah.....	109,845.93		60,383.75	49,462.18
Nevada.....	9,059.91			9,059.91
Washington.....	1,139,644.00	17,315.64	963,776.34	158,552.02
Oregon.....	1,200,926.00	36,233.75	1,058,763.06	105,929.19
California.....	444,346.09		82,776.84	361,569.25
Total.....	13,690,199.92	472,323.83	10,890,538.55	2,327,337.54
Grand total.....	40,118,285.77	3,679,615.17	22,826,045.62	13,612,624.98

TOTAL EXPENDITURES BY STATES, JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE

	<i>Amount</i>		<i>Amount</i>
Washington, D. C.	\$6,548,007.22	Nevada	\$155,124.74
Alabama	33,198,483.01	New Hampshire	414,262.33
Alaska	1,316.44	New Jersey	1,233,097.30
Arizona	4,172,099.25	New Mexico	2,771,921.38
Arkansas	28,971,142.48	New York	3,698,489.87
California	9,338,851.45	North Carolina	21,965,154.74
Colorado	4,954,289.63	North Dakota	16,795,920.82
Connecticut	565,808.24	Ohio	11,327,294.52
Delaware	707,502.50	Oklahoma	28,402,634.93
Florida	3,608,234.27	Oregon	4,170,288.82
Georgia	31,884,694.98	Pennsylvania	4,394,489.86
Hawaii	265,182.30	Philippine Islands	29,442.26
Idaho	3,328,686.84	Puerto Rico	1,842,356.02
Illinois	20,678,497.48	Rhode Island	59,007.90
Indiana	12,311,919.89	South Carolina	21,102,543.44
Iowa	29,918,225.09	South Dakota	14,836,082.78
Kansas	24,278,618.78	Tennessee	16,531,264.95
Kentucky	10,775,857.28	Texas	95,661,700.76
Louisiana	17,157,882.79	Utah	1,062,321.62
Maine	2,203,816.39	Vermont	1,021,203.49
Maryland	2,060,268.61	Virginia	6,162,155.72
Massachusetts	587,870.80	Washington	4,599,858.48
Michigan	8,410,417.83	West Virginia	1,845,992.28
Minnesota	16,746,930.16	Wisconsin	10,752,154.56
Mississippi	36,830,508.54	Wyoming	1,824,801.80
Missouri	17,764,488.94	Undistributed	242,639.43
Montana	5,891,571.72		
Nebraska	15,535,119.64	Total	621,598,497.35

GENERAL ADMINISTRATIVE EXPENSES JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE

1. BY OBJECTIVE CLASSIFICATION

	Total	Washington, D. C.	Field
Salaries	\$13,572,558.12	\$4,927,329.18	\$8,645,228.94
Supplies	944,639.99	436,182.45	508,457.54
Communications	213,159.85	99,988.99	113,170.86
Travel	1,643,278.98	416,990.56	1,226,288.42
Transportation of things	246,005.92	88,401.19	157,604.73
Printing and binding ¹	2,239,255.05	311,048.90	1,928,206.15
Rents	210,570.73	29,547.37	181,023.36
Equipment	385,664.18	110,408.74	275,255.44
Miscellaneous	176,690.44	128,109.84	48,580.60
Total	19,631,823.26	6,548,007.22	13,083,816.04

2. BY AGRICULTURAL ADJUSTMENT ADMINISTRATION AND COOPERATING AGENCIES

Agricultural Adjustment Administration	\$18,647,659.58	\$5,967,046.90	\$12,680,612.68
Extension Service	262,861.47	18,299.17	244,562.30
Forest Service	156,405.75	5,633.09	150,772.66
Bureau of Home Economics	685.46	685.46	
Library	3,240.00	3,240.00	
Office of Exhibits	8.39	8.39	
Office of Information	11,278.28	11,278.28	
Office of Land Use Planning	865.27	865.27	
Office of Solicitor	336,297.57	336,297.57	
Office of the Secretary	87,999.27	87,999.27	
Soil Conservation Service	2,999.03	2,800.73	198.30
Sugar Division	121,539.97	113,869.87	7,670.10
Total	19,631,823.26	6,548,007.22	13,083,816.04

¹ Including aerial photography.

NOTE.—Italicized figures represent credits.

MISCELLANEOUS EXPENDITURES, BY STATES, JULY 1, 1938, TO JUNE 30, 1939, INCLUSIVE

	<i>Amount</i>		<i>Amount</i>
Alabama.....	\$85,024.85	New Mexico.....	\$7,932.45
Arizona.....	7,771.50	New York.....	92.31
Arkansas.....	138,664.15	North Carolina.....	34,496.30
California.....	3,039.83	North Dakota.....	10,149.70
Colorado.....	3,990.01	Ohio.....	1,665.34
Delaware.....	271.93	Oklahoma.....	72,368.07
Florida.....	1,232.81	Oregon.....	759.89
Georgia.....	102,731.99	Philippine Islands.....	29,442.26
Idaho.....	3,047.37	Puerto Rico.....	834.10
Illinois.....	2,891.71	South Carolina.....	81,799.40
Indiana.....	2,000.19	South Dakota.....	6,680.52
Iowa.....	1,760.33	Tennessee.....	36,510.52
Kansas.....	7,853.80	Texas.....	373,337.57
Kentucky.....	2,834.48	Utah.....	652.06
Louisiana.....	52,964.11	Vermont.....	12.87
Maryland.....	226.16	Virginia.....	799.35
Michigan.....	439.14	Washington.....	3,130.74
Minnesota.....	1,610.21	West Virginia.....	141.21
Mississippi.....	175,712.86	Wisconsin.....	148.23
Missouri.....	18,529.55	Wyoming.....	613.88
Montana.....	6,207.52	Undistributed.....	146,450.67
Nebraska.....	7,320.82		
New Hampshire.....	1.36	Total.....	1,141,242.78

APPENDIXES

APPENDIX A.—1938 AGRICULTURAL CONSERVATION PROGRAM BULLETIN

[A compilation of the provisions of the 1938 Agricultural Conservation Program,
including all amendments, effective as of October 10, 1939]

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Pursuant to the authority vested in the Secretary of Agriculture under Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, and in connection with the effectuation of the purposes of Section 7 (a) of said Act in 1938, payments and grants of aid will be made for participation in the 1938 Agricultural Conservation Program in accordance with the provisions of this bulletin and such modifications thereof or other provisions as may hereafter be made.

The provisions of the 1938 Agricultural Conservation Program are necessarily subject to such legislation affecting said program as the Congress of the United States may hereafter enact; and the amount of such payments and grants of aid will necessarily be within the limits finally determined by such appropriation, the apportionment of such appropriations under the provisions of the Soil Conservation and Domestic Allotment Act as amended, and the extent of national participation. Under the provisions of Section 105 of the Agricultural Adjustment Act of 1938, as amended, payments under the 1938 Agricultural Conservation Program, based on soil-depleting crops for which special acreage allotments are established, shall be made at not less than 90 percent of the rates specified in the 1938 Agricultural Conservation Program Bulletin (ACP-1938), approved October 23, 1937. The rates specified herein with respect to potatoes, fire-cured and dark air-cured tobacco, and Georgia-Florida Type 62 tobacco are 90 percent of the rates approved for these commodities on October 23, 1937 and, therefore, will not be decreased. As an adjustment for participation the rates of payment and deduction with respect to each other commodity or item of payment may be decreased, and the rates of payment and deduction with respect to any commodity or item of payment may be increased, by as much as 10 percent.

The provisions of the 1938 Agricultural Conservation Program contained in this bulletin are not applicable to (1) Hawaii, Puerto Rico, and Alaska; (2) counties for which special agricultural conservation programs under said Act are approved for 1938 by the Secretary; and (3) public domain of the United States, including land owned by the United States and administered under the Taylor Grazing Act or by the Forest Service of the United States Department of Agriculture, and other lands in which the beneficial ownership is in the United States.

SECTION I. NATIONAL AND STATE ACREAGE ALLOTMENTS AND GOALS

A. NATIONAL GOALS

The national goals in connection with the 1938 Agricultural Conservation Program shall be as follows:

1. The following acreages of soil-depleting crops:

Cotton-----	27, 000, 000 to	29, 000, 000 acres
Corn-----	94, 000, 000 to	97, 000, 000 acres
Tobacco:		
Flue-cured-----	850, 000 to	875, 000 acres
Burley-----	440, 000 to	460, 000 acres
Fire-cured and dark air-cured	170, 000 to	180, 000 acres
Cigar filler and binder-----	85, 000 to	90, 000 acres
Georgia-Florida Type 62----	2, 800 to	3, 000 acres
Potatoes-----	3, 100, 000 to	3, 300, 000 acres
Peanuts-----	1, 500, 000 to	1, 600, 000 acres
Rice-----	825, 000 to	875, 000 acres

Total soil-depleting crops-- 275, 000, 000 to 290, 000, 000 acres

2. The seeding and maintenance of soil-conserving crops on the cropland not required in 1938 for the growing of soil-depleting crops, the restoration, insofar as is practicable, of a permanent vegetative cover on 6,000,000 acres of land unsuited to the continued production of cultivated crops; and the carrying out of soil-building practices that will preserve and improve soil fertility and prevent wind and water erosion.

B. NATIONAL AND STATE ACREAGE ALLOTMENTS AND RESTORATION LAND GOALS

(1) **Total soil-depleting crops.**—The State acreage allotments of total soil-depleting crops are as follows:

	<i>Acres</i>		<i>Acres</i>
Alabama.....	7, 409, 054	Nevada.....	63, 148
Arizona.....	435, 470	New Hampshire.....	50, 827
Arkansas.....	6, 527, 684	New Jersey.....	569, 414
California.....	5, 084, 539	New Mexico.....	1, 824, 761
Colorado.....	6, 220, 571	New York.....	2, 961, 966
Connecticut.....	126, 796	North Carolina.....	5, 638, 277
Delaware.....	325, 710	North Dakota.....	17, 646, 443
Florida.....	1, 271, 278	Ohio.....	7, 137, 725
Georgia.....	8, 707, 615	Oklahoma.....	14, 510, 788
Idaho.....	2, 733, 292	Oregon.....	2, 895, 948
Illinois.....	14, 994, 167	Pennsylvania.....	3, 852, 803
Indiana.....	8, 049, 712	Rhode Island.....	21, 823
Iowa.....	16, 369, 718	South Carolina.....	4, 892, 425
Kansas.....	22, 586, 216	South Dakota.....	12, 751, 598
Kentucky.....	4, 316, 105	Tennessee.....	4, 871, 620
Louisiana.....	4, 376, 720	Texas.....	29, 420, 722
Maine.....	362, 980	Utah.....	776, 675
Maryland.....	1, 325, 043	Vermont.....	201, 837
Massachusetts.....	143, 694	Virginia.....	2, 807, 359
Michigan.....	5, 313, 677	Washington.....	4, 805, 861
Minnesota.....	13, 839, 942	West Virginia.....	832, 893
Mississippi.....	6, 959, 607	Wisconsin.....	6, 485, 646
Missouri.....	9, 789, 388	Wyoming.....	1, 116, 141
Montana.....	5, 777, 709		
Nebraska.....	15, 157, 876	Total.....	294, 159, 263

(2) **Cotton.**—The State acreage allotments of cotton are as follows:

	<i>Acres</i>		<i>Acres</i>
Alabama.....	2, 267, 810	Missouri.....	391, 188
Arizona.....	200, 383	New Mexico.....	112, 492
Arkansas.....	2, 466, 032	North Carolina.....	1, 005, 505
California.....	406, 884	Oklahoma.....	2, 397, 256
Florida.....	89, 349	South Carolina.....	1, 390, 768
Georgia.....	2, 229, 799	Tennessee.....	829, 642
Illinois.....	5, 547	Texas.....	10, 429, 865
Kansas.....	1, 032	Virginia.....	59, 576
Kentucky.....	20, 387		
Louisiana.....	1, 268, 259	Total.....	28, 285, 572
Mississippi.....	2, 713, 798		

(3) **Corn.**—The State acreage allotments of corn in the commercial corn area are as follows:

	<i>Acres</i>		<i>Acres</i>
Illinois.....	7, 348, 375	Missouri.....	3, 267, 079
Indiana.....	3, 456, 203	Nebraska.....	6, 757, 334
Iowa.....	9, 249, 232	Ohio.....	2, 521, 771
Kansas.....	2, 108, 595	South Dakota.....	1, 635, 790
Kentucky.....	150, 507	Wisconsin.....	452, 809
Michigan.....	223, 790		
Minnesota.....	3, 319, 794	Total.....	40, 491, 279

(4) **Wheat.**—The State acreage allotments of wheat are as follows:

	<i>Acres</i>		<i>Acres</i>
Alabama.....	5, 710	New Jersey.....	52, 990
Arizona.....	35, 375	New Mexico.....	356, 665
Arkansas.....	77, 060	New York.....	246, 779
California.....	708, 656	North Carolina.....	413, 024
Colorado.....	1, 504, 623	North Dakota.....	9, 431, 355
Delaware.....	77, 489	Ohio.....	1, 870, 407
Georgia.....	139, 664	Oklahoma.....	4, 291, 784
Idaho.....	1, 011, 604	Oregon.....	867, 859
Illinois.....	2, 039, 411	Pennsylvania.....	873, 098
Indiana.....	1, 689, 970	South Carolina.....	125, 611
Iowa.....	456, 037	South Dakota.....	3, 345, 403
Kansas.....	12, 519, 879	Tennessee.....	381, 981
Kentucky.....	382, 542	Texas.....	4, 146, 240
Maine.....	6, 047	Utah.....	239, 656
Maryland.....	395, 014	Vermont.....	118
Michigan.....	765, 831	Virginia.....	546, 728
Minnesota.....	1, 609, 218	Washington.....	1, 912, 506
Mississippi.....	84	West Virginia.....	130, 091
Missouri.....	1, 938, 358	Wisconsin.....	108, 001
Montana.....	3, 973, 939	Wyoming.....	343, 971
Nebraska.....	3, 466, 075		
Nevada.....	13, 147	Total.....	62, 500, 000

(5) **Tobacco.**—The national and State acreage allotments of each kind of tobacco are as follows:(I) **FLUE-CURED TOBACCO**

	<i>Acres</i>
Alabama.....	400
Florida.....	13, 700
Georgia.....	83, 000
North Carolina.....	590, 000
South Carolina.....	95, 000
Virginia.....	91, 500
Total.....	873, 600

(II) **BURLEY TOBACCO**

Alabama.....	188
Arkansas.....	75
Georgia.....	175
Illinois.....	50
Indiana.....	12, 650
Kansas.....	560
Kentucky.....	311, 000
Missouri.....	6, 900
North Carolina.....	9, 700
Ohio.....	16, 900
Oklahoma.....	7
South Carolina.....	125
Tennessee.....	76, 100
Virginia.....	12, 800
West Virginia.....	5, 050
Total.....	452, 280

(III) **FIRE-CURED AND DARK AIR-CURED TOBACCO**

	<i>Acres</i>
Indiana.....	500
Kentucky.....	88, 900
Tennessee.....	55, 500
Virginia.....	26, 300
Total.....	171, 200

(IV) **CIGAR FILLER AND BINDER TOBACCO**

Connecticut.....	12, 077
Florida.....	818
Georgia.....	307
Illinois.....	20
Indiana.....	130
Massachusetts.....	4, 914
Minnesota.....	780
New Hampshire.....	54
New York.....	927
Ohio.....	19, 092
Pennsylvania.....	24, 903
Vermont.....	27
Wisconsin.....	23, 150
Total.....	87, 199

(V) **GEORGIA-FLORIDA TYPE 62 TOBACCO**

	<i>Acres</i>
Florida.....	2, 349
Georgia.....	551
Total.....	2, 900

(6) **Rice.**—The State acreage allotments of rice are as follows:

	<i>Acre</i> s		<i>Acre</i> s
Arkansas -----	155,728	Texas -----	167,202
California -----	105,094		
Louisiana -----	421,396	Total -----	850,000
Missouri -----	510		

(7) **Peanuts.**—The national and State acreage allotments of peanuts in the commercial areas are as follows:

	<i>Acre</i> s		<i>Acre</i> s
Alabama -----	272,500	Texas -----	167,000
Florida -----	50,500	Virginia -----	134,270
Georgia -----	475,000		
North Carolina -----	211,040	Total -----	1,330,310
Oklahoma -----	20,000		

(8) **Potatoes.**—The State acreage allotments of commercial potatoes are as follows:

	<i>Acre</i> s		<i>Acre</i> s
Alabama -----	1,866	New Hampshire -----	2,149
California -----	45,520	New Jersey -----	52,462
Colorado -----	84,143	New York -----	115,965
Connecticut -----	9,312	North Carolina -----	35,134
Delaware -----	1,159	North Dakota -----	88,442
Florida -----	17,372	Ohio -----	37,474
Georgia -----	1,038	Oklahoma -----	5,267
Idaho -----	98,826	Oregon -----	30,744
Indiana -----	15,000	Pennsylvania -----	72,353
Kansas -----	9,398	Rhode Island -----	2,486
Kentucky -----	5,947	South Carolina -----	10,324
Maine -----	158,271	South Dakota -----	12,508
Maryland -----	11,518	Utah -----	5,488
Massachusetts -----	6,447	Vermont -----	1,938
Michigan -----	150,572	Virginia -----	51,000
Minnesota -----	179,954	Washington -----	27,544
Missouri -----	9,069	Wisconsin -----	126,506
Montana -----	4,790	Wyoming -----	19,981
Nebraska -----	62,229		
Nevada -----	1,135	Total -----	1,571,331

(9) **Restoration land goals.**—The State restoration land goals are as follows:

	<i>Acre</i> s		<i>Acre</i> s
Colorado -----	1,375,000	Oklahoma -----	300,000
Kansas -----	750,000	South Dakota -----	550,000
Montana -----	875,000	Texas -----	425,000
Nebraska -----	425,000	Wyoming -----	125,000
New Mexico -----	150,000		
North Dakota -----	1,025,000	Total -----	6,000,000

SECTION II. COUNTY ACREAGE ALLOTMENTS AND GOALS

A. COUNTY ACREAGE ALLOTMENTS OF SOIL-DEPLETING CROPS

The Agricultural Adjustment Administration with the assistance of State committees shall establish county acreage allotments for total soil-depleting crops, and for cotton, corn, wheat, tobacco, potatoes, and peanuts for market, and goals for restoration land as hereinafter set forth. The soil-depleting acreage allotments for all counties in each State shall not exceed the applicable acreage allotment established for the State by the Secretary except as otherwise provided in this bulletin.

1. **Total soil-depleting acreage allotments.**—County acreage allotments of total soil-depleting crops shall be established by distributing the State acreage allotment of total soil-depleting crops among the counties in the State on the basis of the average acreage of soil-depleting crops grown in such counties in which-ever of the periods of five or more consecutive years since 1927 the Agricultural Adjustment Administration finds is most representative of normal conditions

and the base acreages of total soil-depleting crops established in connection with the 1937 Agricultural Conservation Program, adjusted where necessary for farms for which provision was not made in 1937, with due allowance for trends in acreage of soil-depleting crops, farms for which the general crop acreage allotment will be as large as the usual acreage of general soil-depleting crops, and the relationship of the usual acreage of individual soil-depleting crops to the 1938 acreage allotments in counties where allotments for individual soil-depleting crops are established.

2. Cotton acreage allotments.—(a) County acreage allotments for cotton shall be determined as follows: The State acreage allotment of cotton (less 2 percent or such smaller part thereof as the Agricultural Adjustment Administration determines shall be required in the State in making allotments to farms on which cotton will be planted in 1938 but on which cotton was not planted in any of the years 1935, 1936 and 1937) shall be prorated among the counties in the State on the basis of the acreage planted to cotton during the five years, 1933 to 1937, inclusive, plus, in the applicable years, the acreage diverted from the production of cotton under agricultural adjustment and conservation programs; *Provided*, That there shall be added to the acreage allotment for each county so determined the number of acres, if any, required to provide an acreage allotment in such county of not less than 60 percent of the sum of (1) the acreage planted to cotton in such county in 1937, and (2) the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program.

(b) In any county where the Agricultural Adjustment Administration finds that there are one or more administrative areas which, because of differences in types, kinds and productivity of the soil or other conditions, shall be treated separately in order to prevent discrimination, the county acreage allotment shall be apportioned pro rata among such administrative areas on the basis of the acreage planted to cotton in 1937 plus the acreage diverted from the production of cotton under the 1937 Agricultural Conservation Program, or if the Agricultural Adjustment Administration determines that conditions affecting the acreage planted to cotton were not reasonably uniform throughout the county in 1937, then on the basis of the cotton soil-depleting base acreages established under the 1937 Agricultural Conservation Program. Allotments to the farms within each such administrative area shall be made by distributing the allotment for such administrative area in the manner provided in Section III for the apportionment of cotton county acreage allotments among farms.

3. Corn acreage allotments.—County acreage allotments of corn for counties in the commercial corn-producing area shall be established by distributing the State acreage allotment of corn among such counties in such State pro rata on the basis of the acreage of corn seeded for the production of corn in such counties during the ten years, 1928 to 1937, inclusive, plus, in applicable years, the acreage diverted under agricultural adjustment and conservation programs. If, on account of abnormal weather conditions, the acreage seeded to corn in a county in any year of such ten-year period was less than 50 percent or more than 150 percent of the average for the other nine years, such year shall be eliminated in calculating the average acreage seeded to corn for such county. The average acreage seeded in any county so determined shall be adjusted for trends in acreage by giving due consideration to the average annual increase or decrease in the acreage seeded to corn in the county as indicated by the acreage seeded to corn and diverted from the production of corn under agricultural adjustment and conservation programs during the last five years of the period 1928 to 1937, inclusive, as compared with the acreage seeded to corn during the first five years of such period.

4. Wheat acreage allotments.—County acreage allotments of wheat shall be established by distributing the State acreage allotment of wheat among the counties in such State pro rata on the basis of the acreage of wheat seeded for the production of wheat during the ten years, 1928 to 1937, inclusive, plus in applicable years the acreage diverted under agricultural adjustment and conservation programs. If, on account of abnormal weather conditions, the acreage seeded for the production of wheat in a county in any year of such ten-year period was less than 50 percent or more than 150 percent of the average computed for the other nine years, such year shall be eliminated in calculating the average acreage seeded for the production of wheat in such county. The average acreage seeded in any county for the production of wheat so deter-

mined shall be adjusted for trends in acreage by giving equal weight to the acreages seeded for the production of wheat and the acreages diverted from the production of wheat during the years 1935, 1936, and 1937, and to the acreages so seeded and diverted during the ten-year period 1928 to 1937, inclusive, as adjusted for abnormal weather conditions.

5. Tobacco acreage allotments.—County acreage allotments for each kind of tobacco shall be established by distributing the State acreage allotment of such kind of tobacco among the counties in the State on the basis of the base acreages of such kind of tobacco established for such counties under the 1937 Agricultural Conservation Program, taking into consideration allotments for small farms, trends in acreage, seed bed, and other plant diseases.

6. Potato acreage allotments.—County acreage allotments of potatoes for counties in the areas designated by the Agricultural Adjustment Administration as commercial potato-producing areas shall be established by distributing the State acreage allotment of potatoes among such counties in such State pro rata on the basis of the average acreage devoted to potatoes in such counties during the years 1933 to 1937, inclusive, taking into consideration trends in acreage on commercial potato-producing farms as reflected by the acreage planted to potatoes in 1937, as compared with the average acreage planted during such five-year period and also taking into consideration the acreage of potatoes on non-commercial potato-producing farms.

7. Peanut acreage allotments.—County acreage allotments of peanuts for market for counties in the areas designated by the Agricultural Adjustment Administration as commercial peanut-producing areas shall be established by distributing the State acreage allotment of peanuts among such counties in such State pro rata on the basis of the base acreages for peanuts established for such counties under the 1937 Agricultural Conservation Program, taking into consideration trends in acreage on commercial peanut-producing farms.

B. COUNTY RESTORATION LAND GOALS

County goals for restoration land shall be established by distributing the applicable State restoration land goal among the counties in the areas designated by the Agricultural Adjustment Administration as areas subject to serious wind erosion and areas containing large acreages unsuited to continued production of cultivated crops, on the basis of the amount of land in such counties which was cropped at least once since January 1, 1930, but on which, because of its physical condition and texture and because of climatic conditions, a permanent vegetative cover should be restored.

C. COUNTY SOIL-BUILDING GOALS

Insofar as practicable, county goals shall be established for particular soil-building practices which are not routine farming practices and which are most needed in the county in order to preserve and improve soil fertility and to prevent wind and water erosion.

SECTION III. FARM ACREAGE ALLOTMENTS AND GOALS

The county committee, with the assistance of other local committees in the county, shall determine acreage allotments, restoration land goals, and soil-building practice goals, in accordance with provisions contained herein and instructions issued by the Agricultural Adjustment Administration. The soil-depleting acreage allotments determined for the farms in a county shall not exceed the applicable county acreage allotments established for the county by the Agricultural Adjustment Administration, and the sum of the acreage allotments for farms furnishing required forms and information shall not exceed their proportionate share of the county acreage allotments.

A. SOIL-DEPLETING ACREAGE ALLOTMENTS

1. Total soil-depleting acreage allotment.—The total soil-depleting acreage allotment for any farm shall be established on the basis of good soil management, tillable acreage on the farm, type of soil, topography, degree of erosion, the acreage of all soil-depleting crops customarily grown on the farm, and when the Agricultural Adjustment Administration finds it applicable, the acreage of food and feed crops needed for home consumption on the farm, taking

into consideration allotments established for individual soil-depleting crops. The total soil-depleting acreage allotment for any farm shall be comparable with the allotments determined for other farms in the same community which are similar with respect to such factors.

2. **Cotton allotment.**—(a) County cotton acreage allotments shall be apportioned among the farms in the county on which cotton was planted in any one of the years 1935, 1936, and 1937, in a manner that will result in a cotton acreage allotment for each such farm which is a percentage (which shall be the same percentage for all farms in the county or administrative area) of the land in the farm in 1937 which was tilled annually or in regular rotation exclusive of the acres of such land normally devoted to the production of sugarcane for sugar, wheat, tobacco, or rice for market, or wheat or rice for feeding to livestock for market except that:

(1) For any such farm with respect to which the highest acreage planted to cotton and diverted from the production of cotton in any one of the three years 1935, 1936, and 1937, is five acres or less, the cotton acreage allotment for the farm shall be such highest number of acres if the county cotton acreage allotment is sufficient therefor;

(2) For any such farm with respect to which the highest number of acres planted to cotton and diverted from the production of cotton in any one of the three years 1935, 1936, and 1937, is more than five acres, the allotment for the farm shall not be less than five acres if the county cotton acreage allotment is sufficient therefor;

(3) Notwithstanding the foregoing provisions of this paragraph (a), a number of acres equal to not more than 3 percent of the county acreage allotment in excess of the allotments made to farms on which the highest number of acres planted to cotton plus the acres diverted from the production of cotton in any of the years 1935, 1936, and 1937, was five acres or less and the number of acres required for allotments of five acres for each other farm in the county on which cotton was planted in 1935, 1936, or 1937 may be apportioned among farms in the county on which cotton was planted in 1935, 1936, or 1937, and for which the allotment otherwise provided is five acres or more but less than 15 acres and less than the highest number of acres planted to cotton and diverted from the production of cotton in any one of the years 1935, 1936, and 1937.

In making such allotments under clause (3) in the preceding sentence consideration shall be given to the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other facilities affecting the production of cotton and such increases shall not be such as to increase the allotment to any farm above 15 acres. In no event shall the allotment for any farm under this paragraph (a) exceed the highest number of acres planted to cotton and diverted from the production of cotton in any one of the three years 1935, 1936, and 1937.

(b) In case the county allotment is insufficient to provide allotments to farms in the county, which are determined, under instructions issued by the Agricultural Adjustment Administration, to be adequate and representative in view of their past production of cotton and their tilled land, there shall be apportioned to such farms, under instructions issued by the Agricultural Adjustment Administration, such part of a State reserve equal to 4 percent of the State acreage allotment as is necessary to give such farms allotments in conformity with paragraph (a) which are as nearly adequate and representative as such 4-percent reserve will permit. Such additional allotment shall be used first to increase allotments to farms under clauses (1) and (2) of paragraph (a).

(c) Notwithstanding the provision of paragraph (a) above the cotton acreage allotment for any farm shall be increased by such amount as may be necessary to provide an allotment of not less than 50 percent of the sum of the acreage as determined by the county committee to have been planted in cotton in 1937 and the acreage diverted from cotton production in 1937 under the agricultural conservation program provided that the cotton acreage allotment for any farm shall not be increased under this paragraph to more than 40 percent of the acreage on such farm which is tilled annually or in regular rotation.

(d) That portion of the State acreage allotment not apportioned among the counties under Section II, subsection A, paragraph 2 (a), hereof shall be apportioned to farms in the State on which cotton will be planted in 1938 but

on which cotton was not planted in any of the years 1935, 1936, and 1937, so as to result in comparable allotments to farms similar with respect to land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. The county committee shall report, through the State committee, to the Agricultural Adjustment Administration the acreage required for the allotments to such farms in the county together with such substantiating data as may be required by the Agricultural Adjustment Administration, and the Agricultural Adjustment Administration shall allot to the county the proportion of that part of the State acreage allotment reserved for this purpose which it finds reasonable on the basis of the data so reported.

3. Corn allotment.—Acreage allotments of corn shall be determined for farms in the commercial corn-producing area on the basis of tillable acreage, crop rotation practices, type of soil and topography. The allotment for any farm shall be comparable to the allotments recommended for other farms in the same community which are similar with respect to such factors.

4. Wheat allotment.—Acreage allotments of wheat shall be determined for farms on which wheat has been seeded for harvest in one or more of the years 1935, 1936, and 1937, on the basis of tillable acreage, crop rotation practices, type of soil and topography. Not more than 3 percent of the county wheat acreage allotment shall be apportioned to farms in such county on which wheat was not seeded for harvest in any one of the three years 1935, 1936, and 1937, on the basis of tillable acreage, crop rotation practices, type of soil and topography. The wheat acreage allotment for any farm shall be comparable with the allotment determined for other farms in the same community which are similar with respect to such factors. No allotment shall be established for any class B farm for which the normal production of wheat for market is less than 100 bushels.

5. Tobacco allotment.—Acreage allotments for each kind of tobacco shall be determined on the basis of past acreage of each kind of tobacco with due allowance for the effects of abnormal weather conditions and plant-bed and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. The tobacco acreage allotment for any farm on which tobacco was grown in one or more of the years 1934 to 1937, inclusive, shall be comparable with the allotments for other farms in the same community which are similar with respect to such factors: *Provided*, That in the case of flue-cured, Burley, and fire-cured and dark air-cured tobacco, special consideration shall be given to farms for which acreage allotments are small. The allotment for any farm on which tobacco is to be produced in 1938 for the first time since 1933 shall not exceed 75 percent of the allotment for other farms in the same community on which tobacco was produced since 1933 which are similar with respect to land, labor, and equipment available for the production of tobacco; crop rotation practices, and the soil and other physical factors affecting the production of tobacco.

6. Potato allotment.—In counties included in the commercial potato-producing areas allotments shall be determined for each farm normally producing potatoes excluding farms on which the acreage normally planted to potatoes for market is determined to be less than three acres. No potato acreage allotment shall be less than three acres. Potato acreage allotments shall be established on the basis of good soil management, tillable acreage on the farm, type of soil, topography, degree of erosion, production facilities, and the acreage of potatoes customarily grown on the farm. The potato acreage allotment for any farm shall be comparable with the allotments for other farms in the same community which are similar with respect to such factors.

7. Peanut allotment.—In counties included in the commercial peanut-producing area peanut acreage allotments shall be determined on the basis of good soil management, tillable acreage on the farm, type of soil, topography, degree of erosion, and the acreage of peanuts for market customarily grown on the farm. The peanut acreage allotment for any farm shall be comparable with the allotments for other farms in the same community which are similar with respect to such factors.

8. Rice allotment.—(a) A rice acreage allotment shall be determined for each farm on which rice is grown in 1938 on the basis of the rice acreage apportioned

to the persons participating in the production of rice on such farm in 1938 and allocated by them to such farm, the acreage on the farm suited to rice production and for which water is readily available, and the acreage of rice customarily grown by such persons. The rice acreage allotment for any farm shall be comparable with the allotments for other farms in the same community which are similar with respect to such factors.

(b) The State rice acreage allotment (less 1 percent or such smaller part thereof as the Agricultural Adjustment Administration determines shall be required in the State for apportionment as provided in paragraph (c) below) shall be apportioned by the State committee, in accordance with instructions issued by the Agricultural Adjustment Administration, among the persons in the State who are participating in the production of rice in 1938 on the basis of their production of rice during the years 1933 to 1937, inclusive; land, labor, equipment, and water available for the production of rice; crop rotation practices, soil fertility, and other physical factors affecting the production of rice.

(c) That portion of the State rice acreage allotment not apportioned among farms pursuant to paragraph (b) above, shall be apportioned by the State committee, in accordance with instructions issued by the Agricultural Adjustment Administration, among the persons in the State who are participating in the production of rice in 1938 but who did not participate in the production of rice in any one of the years 1933 to 1937, inclusive, on the basis of land, labor, equipment, and water available for the production of rice; crop rotation practices, soil fertility, and other physical factors affecting the production of rice.

B. RESTORATION LAND AND SOIL-BUILDING GOALS

1. **Restoration-land goal.**—Restoration-land goals shall be determined on the basis of the land on the farm which has been cropped at least once since January 1, 1930, but on which, because of its physical condition and texture and because of climatic conditions, a permanent vegetative cover should be restored.

2. **Soil-building goal.**—The soil-building goal for any farm shall be the number of units of soil-building practices equal to two-thirds of the number of dollars computed for the farm under Section IV, subsection C, with respect to the soil-conserving acreage for class A farms, the acreage of cropland with respect to which a payment of 70 cents per acre is computed for class B farms, and the commercial vegetable acreage, commercial orchards, and noncrop pasture land for all farms. The goal so established shall represent the number of units of applicable practices to be carried out on the farm. Insofar as practicable, the county committee shall determine for individual farms practices to be followed in meeting the goal which are not routine farming practices on the farm but which are needed on the farm in order to preserve and improve soil fertility and prevent wind and water erosion, and which will tend to accomplish the goals, if any, established for the county with respect to particular soil-building practices.

C. POSTING OF ACREAGE ALLOTMENTS

All acreage allotments established for farms in a county shall be posted or kept freely available for public inspection in the office of the county committee or county agricultural extension agent.

SECTION IV. PAYMENT FOR FULL PERFORMANCE

Payment will be made with respect to any farm for not exceeding soil-depleting acreage allotments, and for achieving soil-building and restoration land goals in an amount which shall be the sum of the following.

A. SOIL-DEPLETING ACREAGE ALLOTMENTS

1. **Cotton.**—2.4 cents per pound of the normal yield per acre of cotton for the farm for each acre in the cotton acreage allotment; or, if the acreage planted to cotton is less than 80 percent of the cotton acreage allotment and the county committee finds that the failure to plant 80 percent of such cotton acreage allotment was not due to flood or drought, for 125 percent of the acreage planted to cotton. The acreage planted to cotton shall be deemed to be that acreage which is seeded to cotton and classified as soil-depleting and also, for the purposes of this provision, that acreage seeded to cotton which is seriously

damaged or destroyed by flood, drought, hail, insects, or other uncontrollable natural causes but is not classified as soil-depleting.

2. Corn.—10 cents per bushel of the normal yield per acre of corn for the farm for each acre in the corn acreage allotment; or, if the acreage planted to corn is less than 80 percent of the corn acreage allotment and the county committee finds that the failure to plant 80 percent of such corn acreage allotment was not due to flood or drought for 125 percent of the acreage planted to corn. The acreage planted to corn shall be deemed to be that acreage which is seeded to corn classified as soil-depleting (excluding (1) any acreage of sweet corn contracted to be sold for canning; (2) any acreage of sweet corn sold for canning or roasting ears; (3) any acreage of sweet corn to be sold or used as seed; and (4) any acreage of popcorn sold as popcorn or to be sold or used as seed).

3. Wheat.—12 cents per bushel of the normal yield per acre of wheat for the farm for each acre in the wheat acreage allotment; or, if the acreage planted to wheat is less than 80 percent of the wheat acreage allotment and the county committee finds that the failure to plant 80 percent of such wheat acreage allotment was not due to flood or drought, for 125 percent of the acreage planted to wheat. The acreage planted to wheat shall be deemed to be that acreage which is seeded to wheat classified as soil-depleting under subsection B of Section XIII.

4. Tobacco.—The following number of cents per pound of the normal yield per acre of tobacco for the farm for each acre in the tobacco acreage allotment for each of the following kinds of tobacco:

(a) Burley-----	0.5 cent
(b) Flue-cured-----	1.0 cent
(c) Fire-cured and dark air-cured-----	1.53 cents
(d) Cigar filler and binder-----	1.0 cent
(e) Georgia-Florida Type 62-----	1.8 cents

Provided, That in the case of cigar filler and binder tobacco, if the acreage planted to such kind of tobacco is less than 80 percent of the acreage allotment therefor and the county committee finds that the failure to plant 80 percent of the acreage allotment was not due to flood, drought, or plant-bed diseases, the payment shall be computed on 125 percent of the acreage planted to cigar filler and binder tobacco.

5. Potatoes.—In early potato-producing areas, 5.4 cents, and in late potato-producing areas, 3.6 cents per bushel of the normal yield of potatoes for the farm for each acre of potatoes planted on the farm in 1938 not in excess of the potato acreage allotment. The acreage planted to potatoes shall be deemed to be that acreage which is seeded to potatoes.

6. Peanuts.—0.2 of a cent per pound of the normal yield per acre of peanuts for the farm for each acre in the peanut acreage allotment.

7. Rice.—0.125 of a cent per pound of the normal yield per acre of rice for the farm for each acre in the rice acreage allotment, or if the acreage planted to rice is less than 80 percent of the rice acreage allotment and the county committee finds that failure to plant 80 percent of such rice acreage allotment was not due to flood or drought, for 125 percent of the acreage planted to rice. The acreage planted to rice shall be deemed to be that acreage which is seeded to rice.

8. General soil-depleting crops on class A farms.—\$1.25 per acre, adjusted for productivity, for each acre in the total soil-depleting acreage allotment established for the farm in excess of the sum of (1) the acreages used in computing payments with respect to the corn, wheat, potato, rice, peanut, cigar filler and binder tobacco, and Georgia-Florida Type 62 tobacco acreage allotments established for the farm; (2) $1\frac{1}{4}$ times the acreages used in computing payments with respect to the cotton, flue-cured tobacco, Burley tobacco, and fire-cured and dark air-cured tobacco acreage allotments established for the farm; and (3) the acreage of sugar beets planted on the farm in 1938.

B. RESTORATION LAND GOALS

(1) 50 cents per acre for each acre in the restoration land goal established for the farm.

C. PAYMENTS IN CONNECTION WITH SOIL-BUILDING PRACTICES

(1) 50 cents per acre of cropland in the farm in excess of the total soil-depleting acreage allotment for the farm (applicable only to class A farms).

(2) \$1.50 per acre of the average acreage of land on which commercial vegetables were grown on the farm in 1936 and 1937.

(3) \$2.00 per acre of commercial orchards on the farm January 1, 1938.

(4) (a) 2 cents per acre of noncrop open pasture land in the farm, plus \$1.00 for each animal unit of grazing capacity (on a 12-month basis) of such pasture, in the North Central Region and in Kansas, Oklahoma, Texas, and California.

(b) 3 cents per acre of noncrop open pasture land plus 75 cents for each animal unit of grazing capacity (on a 12-month basis) of such pasture, in North Dakota, Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Idaho, Oregon, and Washington.

(c) 25 cents per acre of fenced noncrop open pasture land in excess of one-half of the number of acres of cropland in the farm which is capable of maintaining during the normal pasture season at least one animal unit for each five acres of such pasture land, in the East Central Region and States other than Texas and Oklahoma in the Southern Region.

(d) 40 cents per acre of fenced noncrop open pasture land, in excess of one-half of the number of acres of cropland in the farm, which is capable of maintaining during the normal pasture season at least one animal unit for each five acres of such pasture land, in the Northeast Region.

(5) 70 cents per acre of cropland on any class B farm in excess of the sum of (1) the acreages used in computing payments with respect to the corn, wheat, potato, rice, peanut, cigar filler and binder tobacco, and Georgia-Florida Type 62 tobacco acreage allotments established for the farm; (2) 1½ times the acreages used in computing payments with respect to the cotton, flue-cured tobacco, Burley tobacco, and fire-cured and dark air-cured tobacco acreage allotments established for the farm; (3) the acreage of sugar beets and sugarcane for sugar planted on the farm in 1938; and (4) in the Western Region, the normal acreage of summer fallow for the farm, not in excess of the wheat acreage allotment established for the farm.

SECTION V. PAYMENTS FOR PARTIAL PERFORMANCE

Payments computed for any farm under the provisions of Section IV shall be subject to all of the following deductions which are applicable to the farm: *Provided*, That in any case where, through error in a county or State office, the producer was officially notified in writing, prior to completion of planting, of an acreage allotment larger than the finally approved acreage allotment and was not notified of the finally approved acreage allotment until after planting was completed, and the county committee finds that the producer, acting solely upon information contained in the erroneous notice, planted an acreage of soil-depleting crops in excess of the finally approved acreage allotment, such deduction for excess acreage of soil-depleting crops will be made only with respect to the acreage in excess of the allotment erroneously issued.

A. DEDUCTIONS FOR EXCESS ACREAGES OF SOIL-DEPLETING CROPS

1. **Cotton.**—5 cents per pound of the normal yield for the farm for each acre of cotton in excess of the cotton acreage allotment: *Provided*, That in any county where producers were unofficially notified of the percentage to be applied to the adjusted tilled acreage in determining cotton acreage allotments, both on the basis of administrative areas in the county and on a county-wide basis, and planted cotton acting solely on the basis of the unofficial notification, and wherein official notices of the correct cotton acreage allotments computed on the basis of a county-wide percentage were not available until after planting time, the deduction will be made only with respect to the acreage planted to cotton in excess of the larger of the allotment computed on the basis of a county-wide percentage, or the allotment computed on the basis of administrative areas.

2. **Corn.**—5 times the payment rate specified in Section IV for the normal yield for the farm on the acreage by which the corn acreage exceeds the corn acreage allotment.

3. **Tobacco, potatoes, and peanuts.**—(a) 5 times the payment rate specified in Section IV for the normal yield for the farm on the acreages by which the fire-cured and dark air-cured tobacco acreages exceed the acreage allotment for such types of tobacco.

(b) 6 times the payment rate specified in Section IV for the normal yield for the farm on the acreage by which the acreage of peanuts for market exceeds the peanut acreage allotment.

(c) 10 times the payment rate specified in Section IV for the normal yield for the farm on the acreages by which the acreages of flue-cured tobacco, Burley tobacco, cigar filler and binder tobacco, Georgia-Florida Type 62 tobacco, and potatoes exceed the respective acreage allotments established for such crops and on farms for which potato acreage allotments are not established in designated commercial areas on each acre by which the acreage of potatoes for market exceeds three acres.

4. **Rice.**—8 times the payment rate specified in Section IV for the normal yield for the farm on the acreage by which the rice acreage exceeds the rice acreage allotment.

5. **Commercial vegetables.**—In counties designated by the Agricultural Adjustment Administration as counties where commercial vegetables and potatoes or commercial vegetables and cigar filler (type 41) or binder (types 51, 52, and 53) tobacco are grown generally on the same farms, a deduction shall be made from the payment with respect to any farm having a potato or cigar filler and binder tobacco acreage allotment, for each acre on which commercial vegetables are grown in 1938 in excess of the annual average acreage on which commercial vegetables were grown on the farm in 1936 and 1937 (adjusted, where necessary, for the effect of abnormal weather conditions on plantings in such years), such deduction to be at the rate applicable to the farm under this Section V with respect to potatoes or cigar filler and binder tobacco which-over is less. On farms where adjustments for abnormal weather conditions are made in the acreage of commercial vegetables grown in 1936 and 1937 as provided in this item 5, such adjusted acreage shall also be used under item 2 of subsection C of Section IV in computing the payment with respect to the farm.

6. **Total soil-depleting acreage allotments.**—The following applicable rate for each acre of land classified as soil-depleting in excess of the total soil-depleting acreage allotment, less the acreages for which deductions are made under items 1 to 5, inclusive, of this subsection A: *Provided*, That the deduction specified in subdivision (c) of this item 6 shall not apply in any county in which the regional director determines that the planting of general soil-depleting crops was substantially completed prior to the time notices of total soil-depleting acreage allotments were mailed or made available to farm operators in the county.

(a) 5 times the rate of payment with respect to the wheat acreage allotment if a payment is computed for the farm under Section IV with respect to a wheat acreage allotment.

(b) 5 times the rate of payment with respect to general soil-depleting crops if the farm is a class A farm and no payment is computed for the farm under Section IV with respect to a wheat acreage allotment.

(c) \$4.00 per acre if the farm is a class B farm and a payment is computed for the farm under Section IV with respect to a cotton, corn, tobacco peanut, potato, or rice acreage allotment but no payment is computed for the farm under Section IV with respect to a wheat acreage allotment.

B. DEDUCTIONS FOR FAILURE TO CARRY OUT SOIL-BUILDING PRACTICES AND CONSERVATION MEASURES

1. \$1.50 for each unit by which the soil-building goal is not reached.

2. \$1.00 for each acre of restoration land on which there are not carried out in 1938 conservation measures specified by the county committee in accordance with instructions issued by the Agricultural Adjustment Administration.

C. DEDUCTION FOR FAILURE TO PREVENT WIND AND WATER EROSION

\$1.00 for each acre of land, other than restoration land, in an area designated by the Agricultural Adjustment Administration as subject to serious wind or

water erosion hazards, with respect to which there are not adopted in 1938 methods recommended by the State committee and approved by the Agricultural Adjustment Administration for the prevention of wind or water erosion.

D. DEDUCTION FOR BREAKING OUT OF NATIVE SOD

\$3.00 for each acre of native sod or any other land which has been cropped but is not classified as cropland or pasture land which, in areas designated by the Agricultural Adjustment Administration as being areas subject to serious wind erosion or areas containing large acreages unsuited to continuing production of cultivated crops, is broken out during the period November 1, 1937, to October 31, 1938, inclusive, unless the breaking out of such land is approved by the county committee as a good farming practice and an equal acreage of cropland on the same farm is restored to permanent vegetative cover, such acreage of cropland to be in addition to that designated as restoration land.

SECTION VI. DIVISION OF PAYMENTS AND DEDUCTIONS

A. PAYMENTS AND DEDUCTIONS IN CONNECTION WITH ACREAGE ALLOTMENTS AND RESTORATION LAND GOALS

The net payment or net deduction computed for any farm with respect to the corn, cotton, rice, wheat, tobacco, peanuts, or potato acreage allotment, or general soil-depleting crops shall be divided among the landlords, tenants, and sharecroppers in the same proportion (as indicated by their acreage shares expressed in terms of either proportionate acreages or percentages) that such persons are entitled, at the time the crop is harvested, to share in the proceeds (other than a fixed commodity payment) of the corn, cotton, rice, wheat, tobacco, peanuts, potatoes, or general crops, respectively, grown on the farm in 1938.

The net payment or net deduction computed with respect to the restoration land goal for any farm, which is owned by one person and operated by one person, shall be divided in the same proportion that any payment with respect to the wheat acreage allotment for such farm is divided among landlords, tenants, and sharecroppers, provided that if no payment is computed with respect to a wheat acreage allotment for such farm, the net payment or net deduction with respect to the restoration land goal shall be divided in the same proportion that any payment in connection with general soil-depleting crops for such farm is, or would be, divided among landlords, tenants, and sharecroppers. The net payment or net deduction computed with respect to the restoration land goal for any farm which comprises field-rented or separately owned tracts shall be divided among the landlords, tenants, and sharecroppers in the same proportion (as indicated by their acreage shares expressed in terms of either proportionate acreages or percentages) that such persons contribute to the restoration land on such farm. Each person shall be deemed to have contributed to the acreage of restoration land on a field-rented or separately owned tract in the proportion that the principal crop normally grown on such tract is divided. In the event that restoration land is designated for a farm which is not operated by a tenant in 1938, the net payment or net deduction, if any, with respect to such restoration land goal shall be attributed to the owner of such farm.

In computing such net payments and net deductions with respect to acreage allotments, general crops, and restoration land goals, the deduction with respect to commercial vegetables (item 5, subsection A, Section V) shall be regarded as a prorata deduction with respect to the potato acreage allotment and the cigar filler (type 41) or binder (types 51, 52, and 53) tobacco acreage allotment. The total amount of deductions computed under Section V with respect to (1) soil-depleting crops grown in excess of the total soil-depleting acreage allotment (item 6, subsection A); (2) failure to prevent wind and water erosion (subsection C); and (3) breaking out of native sod (subsection D) shall be regarded (a) as prorata deductions with respect to the payments computed under Section IV in connection with the wheat acreage allotment and general soil-depleting crops on class A farms, *Provided*. That if no such payments are computed for the farm the total amount of such deductions

shall be regarded as a net deduction with respect to general soil-depleting crops; (b) as deductions with respect to the wheat acreage allotment on class B farms for which a payment is computed under Section IV in connection with a wheat acreage allotment; (c) as prorata deductions with respect to the payments computed under Section IV in connection with crop acreage allotments and the restoration land goal on class B farms for which no payment is computed in connection with a wheat acreage allotment, or (d) as deductions with respect to the soil-building goal on class B farms for which no payment is computed under Section IV in connection with crop acreage allotments or a restoration land goal, provided, that any net amount of such deductions computed for such farms shall be divided equally among the landlords and tenants on the farm.

In the event that corn, cotton, rice, wheat, tobacco, peanuts, potatoes, or general crops are not harvested in 1938 on the farm, or in the event the county committee, in accordance with instructions issued by the Agricultural Adjustment Administration, finds that due to crop failure the acreage of such crop(s) was reduced sufficiently to affect materially the division of payments or deductions, the net payment or net deduction, if any, with respect to the acreage allotment for such crop(s) shall be divided among the landlords, tenants, and sharecroppers in the same proportion that the county committee determines that such persons would have shared in the proceeds of such crop(s) if such crop(s) had been harvested on the farm in 1938 or if the acreage of such crop(s) had not been so reduced.

B. PAYMENTS WITH RESPECT TO SOIL-BUILDING PRACTICES

The amount of payment earned in connection with the soil-building goal for the farm shall be paid to the landlord, tenant, or sharecropper who carried out the soil-building practices. If the county committee determines that more than one such person contributed to the carrying-out of soil-building practices on the farm in 1938, such payment shall be divided in the proportion that the units contributed by each such person to such practices bears to the total units of such practices carried out on the farm in 1938. Each person contributing to the practice carried out on a particular acreage shall be deemed to have contributed equally to the units of such practices unless such persons establish to the satisfaction of the county committee that their respective contributions thereto were not in equal proportion, in which event such unit shall be divided in the proportion which the county committee determines each such person contributed thereto.

C. PRORATION OF NET DEDUCTIONS

If with respect to any farm the sum of the net payments computed for all persons on the farm exceeds the sum of the net deductions computed for all persons on the farm, the net deduction computed for any person on the farm shall be prorated among the persons on the farm for whom a net payment is computed in the proportion in which the net payment computed for any person is of the sum of the net payments computed for all persons on the farm. If, with respect to any farm the sum of the net deductions computed for all persons on the farm equals or exceeds the sum of the net payments computed for all persons on the farm, no payment will be made with respect to such farm and the amount of such net deductions in excess of the net payments shall be prorated among the persons on the farm in the proportion which the net deduction computed for any person is of the sum of the net deductions computed for all persons on the farm.

SECTION VII. INCREASE IN SMALL PAYMENTS

The total payment computed under Sections IV to VI, inclusive, for any person with respect to any farm shall be increased as follows:

- (1) Any payment amounting to 71 cents or less shall be increased to \$1.00;
- (2) Any payment amounting to more than 71 cents but less than \$1.00 shall be increased by 40 percent;

(3) Any payment amounting to \$1.00 or more shall be increased in accordance with the following schedule:

Amount of payment computed	Increase in payment	Amount of payment computed	Increase in payment
\$1.00 to 1.99-----	\$0. 40	\$32.00 to 32.99-----	\$10. 40
2.00 to 2.99-----	0. 80	33.00 to 33.99-----	10. 60
3.00 to 3.99-----	1. 20	34.00 to 34.99-----	10. 80
4.00 to 4.99-----	1. 60	35.00 to 35.99-----	11. 00
5.00 to 5.99-----	2. 00	36.00 to 36.99-----	11. 20
6.00 to 6.99-----	2. 40	37.00 to 37.99-----	11. 40
7.00 to 7.99-----	2. 80	38.00 to 38.99-----	11. 60
8.00 to 8.99-----	3. 20	39.00 to 39.99-----	11. 80
9.00 to 9.99-----	3. 60	40.00 to 40.99-----	12. 00
10.00 to 10.99-----	4. 00	41.00 to 41.99-----	12. 10
11.00 to 11.99-----	4. 40	42.00 to 42.99-----	12. 20
12.00 to 12.99-----	4. 80	43.00 to 43.99-----	12. 30
13.00 to 13.99-----	5. 20	44.00 to 44.99-----	12. 40
14.00 to 14.99-----	5. 60	45.00 to 45.99-----	12. 50
15.00 to 15.99-----	6. 00	46.00 to 46.99-----	12. 60
16.00 to 16.99-----	6. 40	47.00 to 47.99-----	12. 70
17.00 to 17.99-----	6. 80	48.00 to 48.99-----	12. 80
18.00 to 18.99-----	7. 20	49.00 to 49.99-----	12. 90
19.00 to 19.99-----	7. 60	50.00 to 50.99-----	13. 00
20.00 to 20.99-----	8. 00	51.00 to 51.99-----	13. 10
21.00 to 21.99-----	8. 20	52.00 to 52.99-----	13. 20
22.00 to 22.99-----	8. 40	53.00 to 53.99-----	13. 30
23.00 to 23.99-----	8. 60	54.00 to 54.99-----	13. 40
24.00 to 24.99-----	8. 80	55.00 to 55.99-----	13. 50
25.00 to 25.99-----	9. 00	56.00 to 56.99-----	13. 60
26.00 to 26.99-----	9. 20	57.00 to 57.99-----	13. 70
27.00 to 27.99-----	9. 40	58.00 to 58.99-----	13. 80
28.00 to 28.99-----	9. 60	59.00 to 59.99-----	13. 90
29.00 to 29.99-----	9. 80	60.00 to 185.99-----	14. 00
30.00 to 30.99-----	10. 00	186.00 to 199.99-----	(¹)
31.00 to 31.99-----	10. 20	200.00 and over-----	(²)

¹ Increase to 200.00.

² No increase.

SECTION VIII. DEDUCTIONS INCURRED ON OTHER FARMS

A. OTHER FARMS IN THE SAME COUNTY

If the deductions computed under Section V with respect to any farm in a county exceed the payment for full performance on such farm computed under Section IV, a landlord's or tenant's share of the amount by which such deduction exceeds such payments shall be deducted from such landlord's or tenant's share of the payment which would otherwise be made to him with respect to any other farms in such county.

B. OTHER FARMS IN THE STATE

If the deductions computed for a landlord or tenant with respect to one or more farms in a county exceed the payments computed for such landlord or tenant on other farms in such county, the amount of such excess deductions shall be deducted from the payments computed for such landlord or tenant with respect to any other farms in the State if the State committee finds that the crops grown and practices adopted on the farm with respect to which such deductions are computed substantially offset the contribution to the program made on such other farms.

SECTION IX. DEDUCTION FOR ASSOCIATION EXPENSES

There shall be deducted pro rata from the payments with respect to any farm all or such part as the Secretary may prescribe of the estimated administrative expenses incurred or to be incurred by the county agricultural conservation association in the county in which the farm is located.

SECTION X. MATERIALS FURNISHED AS GRANTS OF AID

Wherever it is found practicable limestone, superphosphate, trees, seeds, and other materials, upon request of the producer, may be furnished by the Agricultural Adjustment Administration as grants of aid to be used in carrying out approved soil-building practices which shall be counted toward meeting the soil-building goal for the farm. Wherever such materials are furnished, a deduction from the payment for the farm shall be made in the amount of the approximate cost of such material to the Agricultural Adjustment Administration. Such deduction shall be applied first to the payment computed for the person to whom such materials are furnished, and the balance, if any, of such deduction shall be prorated among the payments to other persons sharing in the payment with respect to the farm on which such materials were used.

In making a request for materials pursuant to this section the producer to whom such materials are furnished shall agree that in the event the amount of the deduction for the material exceeds the amount of the payment with respect to the farm the amount of such difference shall be repaid by him to the Secretary.

SECTION XI. GENERAL PROVISIONS RELATING TO PAYMENTS

A. PAYMENT RESTRICTED TO EFFECTUATION OF PURPOSES OF THE PROGRAM

All or any part of any payment which otherwise would be made to any person under the 1938 Agricultural Conservation Program may be withheld (1) if he has adopted any practice which the Secretary determines tends to defeat any of the purposes of the 1938 or previous agricultural conservation programs, (2) if, by means of any corporation, partnership, estate, trust, or any other device, or in any manner whatsoever, he has offset, or has participated in offsetting, in whole or in part, the performance for which such payment is otherwise authorized, or (3) if, with respect to forest land or woodland owned or controlled by him, he adopts any practice which the regional director finds is contrary to sound conservation practices. If on any class B farm for which no wheat, cotton, corn, tobacco, peanut, potato, or rice acreage allotment is established, the acreage of soil-depleting crops in 1938 is in excess of 50 acres and in excess of the total soil-depleting acreage allotment, the deduction provided in paragraph 6 (c) of subsection A of Section V shall be applicable to such farm if the county committee determines that the increase in soil-depleting crops was not due to the rotation of crops normally followed on the farm. No payment, other than a payment in connection with the restoration land goal, shall be computed with respect to any farm which is idle in 1938.

In areas designated by the Agricultural Adjustment Administration as areas subject to serious wind erosion in 1938, no payment will be made to any person with respect to any farm which such person owns or operates in a county if he allows any part of the cultivated acreage in any such farm to become a wind erosion hazard during 1938 by reason of failure to carry out wind erosion control measures approved by the county committee.

B. PAYMENT COMPUTED AND MADE WITHOUT REGARD TO CLAIMS

Any payment or share of payment shall be computed and made without regard to questions of title under State law, without deduction of claims for advances (except as provided in subsection D of this Section XI) and without regard to any claim or lien against any crop, or proceeds thereof, in favor of the owner or any other creditor.

C. CHANGES IN LEASING AND CROPPING AGREEMENTS, REDUCTION IN NUMBER OF TENANTS, AND OTHER DEVICES

If on any farm in 1938 any change of the arrangements which existed on the farm in 1937 is made between the landlord and the tenants or sharecroppers and such change would cause a greater proportion of the payments to be made to the landlord under the 1938 Agricultural Conservation Program than would have been made to the landlord for performance on the farm under the 1937 Agricultural Conservation Program, payments to the landlord under the 1938 Agricultural Conservation Program with respect to the farm shall not be greater than the amount that would have been paid to the landlord if the arrangements which existed on the farm in 1937 had been continued in 1938, if the county committee certifies that the change is not justified and disapproves such change.

If on any farm the number of sharecroppers or share tenants in 1938 is less than the average number on the farm during the years 1935 to 1937, inclusive, and such reduction would increase the payments that would otherwise be made to the landlord, such payments to the landlord shall not be greater than the amount that would otherwise be made if the county committee certifies that the reduction is not justified and disapproves such reduction.

If the State committee finds that any person who files an application for payment pursuant to the provisions of the 1938 Agricultural Conservation Program has employed any other scheme or device, the effect of which would be or has been to deprive any other person of any payment under any agricultural conservation program to which such other person would normally be entitled, the Secretary may withhold in whole or in part from the person participating in or employing such a scheme or device, or require such person to refund in whole or in part the amount of any payment which has been or would otherwise be made to such person in connection with the 1938 Agricultural Conservation Program.

D. ASSIGNMENTS

Any person who may be entitled to any payment in connection with the 1938 Agricultural Conservation Program may assign his interest in such payment as security for cash loaned or advances made for the purpose of financing the making of a crop in 1938. No such assignment will be recognized unless (1) the assignment is made in writing on Form ACP-69 in accordance with instructions issued by the Agricultural Adjustment Administration, and is filed in the office of the county agricultural conservation association; (2) the farmer files with the assignment a statement that the assignment is made to pay or secure an indebtedness incurred in connection with financing the making of a crop in 1938 and not to pay or secure any preexisting indebtedness; and (3) the person to whom such assignment is made certifies that the payment is being assigned without discount for such purpose.

Nothing contained in this Section XI shall be construed to give an assignee a right to any payment other than that to which the farmer is entitled nor shall the Secretary or any disbursing agent be subject to any suit or liability if payment is made to the farmer without regard to the existence of any such assignment.

E. EXCESS COTTON ACREAGE

Any person who makes application for payment with respect to any farm located in a county in which cotton is planted in 1938 shall file with such application a statement that the applicant has not knowingly planted or caused to be planted during 1938 cotton on land in any farm in which he has an interest in excess of the cotton acreage allotment established for the farm for 1938, and that cotton was not planted in excess of such allotment by his authority or with his consent.

Any person who knowingly plants cotton on his farm in 1938 on acreage in excess of the cotton acreage allotment established for the farm for 1938 shall not be eligible for any payment under the provisions of the 1938 Agricultural Conservation Program. Any person having an interest in the cotton crop on a farm on which cotton is planted in 1938 on acreage in excess of the cotton acreage allotment for the farm for 1938 shall be presumed to have knowingly planted cotton on his farm on acreage in excess of such farm cotton acreage allotment if notice of the farm allotment is mailed to him prior to the completion of the planting (seeding) of cotton on the farm, unless the farmer establishes the fact that the excess acreage planted to cotton was due to his lack of knowledge of the number of acres in the tract(s) planted to cotton. Such notice, if mailed to the operator of the farm, shall be deemed to be notice to all persons sharing in the production of cotton on the farm in 1938.

F. USE OF SOIL-CONSERVING CROPS FOR MARKET

No payment will be made with respect to any farm unless on such farm in 1938 an acreage of cropland or restoration land, not devoted to soil-depleting crops, is withheld from the production of soil-conserving crops for market, equal to the acreage by which the normal acreage of soil-depleting crops on such farm exceeds the larger of (1) the total soil-depleting acreage allotment for the farm or (2) the acreage devoted to soil-depleting crops on the farm in 1938: *Provided*,

That payment shall not be denied any farmer for using such soil-conserving crops for market (1) if in the county in which the farm is located the number of cows kept for the production of milk or products thereof for market does not exceed the normal number of such cows; (2) if on such farm the number of cows kept for the production of milk or the products thereof for market does not exceed the normal number of such cows; or (3) if the Agricultural Adjustment Administration determines either (a) that the farmer has substantially complied with the provisions of this paragraph, or (b) that the county, as a whole, is in substantial compliance with such provisions.

Any farmer shall be deemed to have substantially complied with the provisions of the foregoing paragraph either (1) if the increase above normal in the number of dairy cows on his farm does not exceed two cows; or (2) if none of the soil-conserving crops to which such provisions are applicable are used for market other than through the disposition of dairy livestock for slaughter or through the disposition of less than ten percent of the milk, or products thereof, produced on the farm. A county, as a whole, shall be deemed to be in substantial compliance with such provisions unless: (1) The number of cows kept for the production of milk in the county exceeds by more than five percent the normal number of such cows; (2) the acres retired from soil-depleting crops in the county exceed five percent of the normal acreage of such crops and exceed 1,000 acres; and (3) the average number of cows kept for the production of milk exceeds two cows per farm and exceeds two cows per 160 acres of farm land.

The normal acreage of soil-depleting crops and the number of cows kept for the production of milk or the products thereof for market shall be determined for any farm in accordance with instructions issued by the Agricultural Adjustment Administration, and the Agricultural Adjustment Administration shall determine from the latest available statistics of the Department, and shall announce, the counties not deemed to be in substantial compliance.

As used in this subsection F, the term "for market" means for disposition by sale, barter, or exchange, or by feeding (in any form) to dairy livestock which, or the products of which, are to be sold, bartered, or exchanged, and such term shall not include consumption on the farm. An agricultural commodity shall be deemed to be consumed on the farm if consumed by the farmer's family, employees, or household, or if fed to poultry or livestock other than dairy livestock on his farm, or if fed to dairy livestock on his farm and such dairy livestock, or the products thereof, are to be consumed by his family, employees, or household. As used in this subsection F, the term "soil-conserving crops" means grasses and legumes grown on cropland except those classified as soil-depleting under Section XIII thereof.

SECTION XII. APPLICATION FOR PAYMENT

A. PERSONS ELIGIBLE TO FILE APPLICATIONS

An application for payment with respect to a farm may be made by any person for whom, under the provisions of Section VI a share in the payment with respect to the farm may be computed and (1) who at the time of harvest is entitled to share in the crops grown on the farm under a lease or operating agreement, or (2) who is owner or operator of such farm and participates thereon in 1938 in carrying out approved soil-building practices or in carrying out conservation measures designed to promote restoration of a permanent vegetative cover on restoration land.

B. TIME AND MANNER OF FILING APPLICATION AND INFORMATION REQUIRED

Payment will be made only upon application submitted through the county office. The Secretary reserves the right (1) to withhold payment from any person who fails to file any form or furnish any information required with respect to any farm which such person is operating or renting to another person for a share of the crops grown thereon, and (2) to refuse to accept any application for payment if such application or any other form or information required is not submitted to the county office within the time fixed by the regional director. At least two weeks' notice to the public shall be given of the expiration of a time limit for filing prescribed forms. Such notice shall be given by mailing the same to the office of each county committee and making copies of the same available to the press.

C. APPLICATIONS FOR OTHER FARMS

If a person has the right to receive all or a portion of the crops or proceeds therefrom, produced on more than one farm in a county and makes application for payment with respect to one of such farms, such person must make application for payment with respect to all such farms which he operates or rents to other persons. Upon request by the State committee such person shall also file with the committee such information as it may request regarding any other farm in the State with respect to which he has the right to receive all or a portion of the crops or proceeds thereof.

SECTION XIII. SOIL-DEPLETING CROPS

Land devoted in 1938 to any of the following crops or uses or such other similar crops and uses as are designated by the Agricultural Adjustment Administration shall be classified as soil-depleting:

A. Land planted to the following crops for harvest in 1938:

1. Corn (including field corn, sweet corn, and popcorn, but excluding sown or close-drilled corn used as a cover crop or green manure crop).
2. Tobacco (except that Georgia-Florida Type 62 tobacco shall be classified as provided in the 1938 Agricultural Conservation Program Bulletin, Supplement No. 2).
3. Grain sorghums (except when a good stand and a good growth of such crops is used as a green manure crop in areas in Texas designated by the Agricultural Adjustment Administration as areas affected by cotton root rot).
4. Cotton (except when such crop fails to reach the stage at which bolls are first formed).
5. Sugar beets.
6. Sugarcane.
7. Rice.
8. Peanuts harvested for nuts.
9. Commercial mustard.
10. Hemp.
11. Broomcorn.
12. Mint.
13. Mangels and cowbeets.
14. Cultivated sunflowers.
15. Truck and vegetable crops (including strawberries, melons and sweet-potatoes) and their seeds.
16. Potatoes.
17. Bulbs and flowers.
18. Safflower.
19. Field beans.
20. Canning peas.

B. Land planted to wheat harvested for grain or hay in 1938 or any other land planted to wheat between August 1, 1937 and July 31, 1938, except

1. When, in the North Central Region, the acreage of such crop seeded in the fall of 1937 is pastured before May 1, 1938 and thereafter sufficiently pastured or tilled to prevent grain formation, or is tilled before May 1, 1938 in preparation for another crop or for a use other than the harvesting of the acreage of such crop for grain or hay; or

2. When, in humid areas other than in the North Central Region designated by the Agricultural Adjustment Administration, the acreage of such crop is used as a nurse crop or cover crop and is not harvested for grain or hay; or

3. When in designated non-humid areas of Texas, Oklahoma, Kansas, Colorado, and New Mexico, the acreage of such crop seeded in the fall of 1937 is tilled before a date to be specified by the Agricultural Adjustment Administration, in preparation for another crop or in connection with an approved conservation measure; *Provided*, That in such areas the conservation measure to be instituted before the specified date shall be approved by the county committee and the land to be so handled shall be designated in accordance with instructions issued by the Agricultural Adjustment Administration; or

4. When the acreage is seeded to true type winter wheat in the spring of 1938 (prior to June 15) on non-irrigated cropland and such crop is used only as a pasture or cover crop (applicable only in Washington, Oregon, Idaho, and Utah); or

5. When the acreage of such crop is used as a green manure crop in orchards or on commercial vegetable or potato land or such other land as may be designated by the Agricultural Adjustment Administration.

C. Land planted to oats (except when used in Washington and Oregon as a support crop for vetch or Austrian field peas harvested for seed), barley, rye, flax, emmer, speltz, or mixtures of these crops between August 1, 1937 and July 31, 1938, except

1. When a good stand and good growth of such crop is used as a green manure crop in orchards, or on commercial vegetable or potato land, or such other land as may be designated by the Agricultural Adjustment Administration; or

2. When such crop is used as a nurse crop or cover crop and is not harvested for grain or hay and not used in any area in any other manner determined by the Agricultural Adjustment Administration to be soil-depleting in such area.

D. Land planted in 1938 to buckwheat, sweet sorghums, Sudan grass, millet, or sown or close-drilled corn harvested for grain, seed, sirup, or silage, or used in any areas in any other manner determined by the Agricultural Adjustment Administration to be soil-depleting in such area.

E. Land planted in 1938 to field peas harvested for peas or soybeans harvested for seed for crushing, or used in any area in any other manner determined by the Agricultural Adjustment Administration to be soil-depleting in such area.

F. Land summer fallowed in the States of Washington, Oregon, Idaho, and Utah; provided, however, that if such summer-fallowed acreage is seeded in 1938 to perennial grasses or perennial legumes in accordance with good farming practice such acreage shall not be classified as soil-depleting.

G. Land summer fallowed in any area if such summer-fallowed acreage is not protected from wind and water erosion by methods recommended by the State committee and approved by the Agricultural Adjustment Administration.

The acreage of land which is devoted consecutively to two or more of the above soil-depleting crops in 1938 shall be counted as follows: If only one of such crops reaches maturity such land shall be regarded as devoted to the crop reaching maturity. If none of such crops reaches maturity or if more than one of such crops reach maturity and an individual crop acreage allotment is established for only one of such crops, such land shall be regarded as devoted to the crop for which an individual crop acreage allotment is established. If none of such crops reaches maturity and individual crop acreage allotments are established for two or more of such crops, the land shall be regarded as devoted to the last planted of such crops for which an individual crop acreage allotment is established. If two or more of such crops reach maturity and individual crop acreage allotments are established for two or more of such crops reaching maturity, the land shall be regarded as devoted to each of the crops which reached maturity and for which an individual crop acreage allotment is established. If two or more of such crops reach maturity or if none of such crops reaches maturity and individual crop acreage allotments are not established for any of such crops the land shall be regarded as devoted to the last planted of such crops.

The acreage of land which is devoted simultaneously to two or more of the above soil-depleting crops shall be divided among such crops on the basis of the land determined, in accordance with instructions issued by the Agricultural Adjustment Administration, to be devoted to each.

In connection with determinations regarding the maturity of crops, canning peas will be deemed to have reached maturity when such crops are harvested for canning and field corn, sweet corn, and popcorn hogged off or cut for silage, fodder or other similar uses, will be deemed to have reached maturity.

If a corn acreage allotment is established for any farm, all acreages of field corn, sweet corn, and popcorn will be regarded as corn acreage for the purpose of determining whether the corn acreage allotment for such farm has been exceeded, except (1) any acreage of sweet corn contracted to be sold for canning; (2) any acreage of sweet corn sold for canning or roasting ears; (3)

any acreage of sweet corn to be sold or used as seed; and (4) any acreage of popcorn sold as popcorn or to be sold or used as seed.

In areas designated by the Agricultural Adjustment Administration as areas where cropland is commonly divided into regularly-shaped fields, in order for a portion of a field (other than cropland strip-cropped, strip-fallowed or contour farmed) not to be classified as soil-depleting such portion of the field must be in a solid block contiguous to the side or end of the field and the line between such portion and the remaining portion of the field must be straight.

Land devoted to volunteer crops harvested shall be classified as if such crops were planted.

SECTION XIV. SOIL-BUILDING PRACTICES

Such of the soil-building practices listed in the following schedule as the Agricultural Adjustment Administration determines are adapted to any region and should be encouraged in such region shall count toward the achievement of the soil-building goal to the extent indicated therein, when such practices are carried out in 1938 in areas designated by the Agricultural Adjustment Administration and in accordance with specifications issued by the regional director or by the State committee with the approval of the regional director. The areas designated for any soil-building practice shall be areas in which such practice is desirable and necessary as a conservation measure. The specifications issued shall be such as to assure that the soil-building practice will be performed in workmanlike manner and in accordance with good farming practice for the locality.

Practices carried out with labor, seed, trees, and materials furnished entirely by any Federal or State agency other than the Agricultural Adjustment Administration shall not be counted toward the achievement of the soil-building goal. If a portion of the labor, seed, trees, or other materials used in carrying out any practice is furnished by a State or Federal agency other than the Agricultural Adjustment Administration and such portion represents one-half or more of the total cost of carrying out such practice, such practice shall not be counted toward the achievement of the soil-building goal; if such portion represents less than half of the total cost of carrying out such practice, one-half of such practice shall be counted toward the achievement of the soil-building goal.

If trees are purchased from a Clark-McNary Cooperative State Nursery, such purchases shall not be deemed to be paid for in whole or in part by a State or Federal agency.

SCHEDULE OF SOIL-BUILDING PRACTICES

A. Each of the following practices in the amounts specified shall be counted as one unit; *Provided*, That when the materials specified in items 1, 2, or 3 are applied to biennial or perennial legumes, perennial grasses, winter legumes, lespedeza, crotalaria, or Natal grass seeded or grown in connection with a soil-depleting crop, only such proportionate part, if any, of the material applied shall be counted as is specified by the Agricultural Adjustment Administration.

1. Application of 300 pounds of 16-percent superphosphate (or its equivalent) to, or in connection with the seeding of, perennial or biennial legumes, perennial grasses, winter legumes, lespedeza, crotalaria, Natal grass, or permanent pasture.

2. Application of 200 pounds of 50-percent muriate of potash (or its equivalent) to, or in connection with the seeding of, perennial or biennial legumes, perennial grasses, winter legumes, lespedeza, crotalaria, Natal grass, or permanent pasture.

3. Application of 500 pounds of basic slag or rock phosphate to, or in connection with the seeding of, perennial or biennial legumes, perennial grasses, winter legumes, lespedeza, crotalaria, Natal grass, or permanent pasture.

4. Application of 300 pounds of gypsum containing 18-percent sulphur (or its sulphur equivalent).

5. Construction of 200 linear feet of standard terrace for which proper outlets are provided.

6. Construction of reservoirs and dams—15 cubic yards of material moved in making the fill or excavation.

7. Reseeding depleted pastures with good seed of adapted pasture grasses or legumes—10 pounds of seed.

8. Contour ridging of non crop open pasture land—750 linear feet of ridge or terrace.

9. Application of one ton, air dry weight, of straw or equivalent mulching material, excluding barnyard and stable manure, in commercial orchards or on commercial vegetable land in areas designated by the regional director as areas in which straw normally costs more than \$5.00 per short ton.

10. Application of not less than two tons, air dry weight, of straw or equivalent mulching materials, excluding barnyard and stable manure, per acre in commercial orchards or on commercial vegetable land.

11. Application of the following quantities of ground limestone or its equivalent in areas designated by the regional director as areas in which the average cost of ground limestone to farmers is:

- | | |
|--|-----------|
| (a) Not more than \$2.50 per ton----- | 2,000 lb. |
| (b) More than \$2.50 but not more than \$3.50 per ton_ | 1,500 lb. |
| (c) More than \$3.50 but not more than \$5.00 per ton_ | 1,000 lb. |
| (d) More than \$5.00 per ton----- | 800 lb. |

12. Application of 1,000 pounds of finely ground limestone (at least 90 percent to pass through a 30-mesh sieve and all finer particles obtained in the grinding process to be included), except to peanuts and commercial vegetables, such limestone to be applied at the rate of not less than 500 pounds nor more than 1,000 pounds per acre.

13. Restoration of noncrop open pasture by nongrazing during the normal pasture season on an acreage equal to one-half of the number of acres of such pasture required to carry one animal unit for a 12-month period.

B. Each acre of the following shall be counted as one unit:

1. Seeding biennial legumes, perennial legumes, perennial grasses (other than timothy or redbtop) or mixtures (other than a mixture consisting solely of timothy and redbtop) containing perennial grasses, perennial legumes, or biennial legumes (except alfalfa and permanent pasture mixtures qualifying under practice No. 1 of subsection C of this Section XIV).

2. Seeding winter legumes, annual lespedeza, annual ryegrass, crotalaria, sesbania, or annual sweet clover.

3. Green manure crops and cover crops (excluding (1) lespedeza, (2) any crop for which credit is given in 1938 under any other practice, (3) wheat on nonirrigated land except in humid areas designated by the Agricultural Adjustment Administration, and (4) such other crops as may be determined as not qualifying for any area by the Agricultural Adjustment Administration) of which a good stand and good growth is (1) plowed or disced under on land not subject to erosion, or if subject to erosion, such crop is followed by a winter cover crop, or (2) left on land subject to erosion or in orchards or on commercial vegetable or potato land, or on such other land as is designated by the Agricultural Adjustment Administration.

C. Each acre of the following shall be counted as two units:

1. Seeding hardy northern-grown domestic or Canadian alfalfa (applicable only in the Northeast Region).

2. Seeding permanent pasture mixtures containing a full seeding of legumes or grasses, or both, other than timothy and redbtop (applicable only in the Northeast Region and on class B farms in the Southern Region).

3. Cultivating, protecting, and maintaining by replanting, if necessary, a good stand of forest trees, planted between January 1, 1934 and January 1, 1938.

4. With prior approval of the county committee improving a stand of forest trees under such approved system of farm woodlot management as is specified by the Agricultural Adjustment Administration.

5. Establishment of permanent vegetative cover by planting sod pieces of perennial grasses.

6. Green manure crops of which a good stand and a good growth is plowed or disced under (applicable only to class B farms in the Western,

East Central and Southern Regions on which the average acreage of land on which commercial vegetables were grown in 1936 and 1937 exceeds 50 percent of the acreage of cropland in the farm in excess of the sum of the potato, tobacco, cotton, and peanut acreage allotments established for the farm).

D. Each acre of the following shall be counted as five units:

1. Planting forest trees (including shrubs in protective plantings) provided such trees are protected and cultivated in accordance with good tree culture practice.

2. Control of seriously infested plots of perennial noxious weeds, designated by the Agricultural Adjustment Administration, on cropland in organized weed control districts, in accordance with good chemical or tillage methods.

3. Applying sand free from stones or loam to a depth of at least one-half inch on fruiting cranberry bogs.

E. Each two acres of the following shall be counted as one unit:

1. Summer legumes not classified as soil-depleting (interplanted or grown in combination with soil-depleting crops) of which a good stand and a good growth is left on the land or plowed or disced under.

2. Renovation of perennial legumes and mixtures of perennial grasses and legumes.

3. Seeding timothy or redtop or a mixture consisting solely of timothy and redtop.

4. Protecting muck land subject to serious wind erosion by establishing or maintaining approved shrub windbreaks.

F. Each four acres of the following shall be counted as one unit:

1. Leaving on the land as a protection against wind erosion (only in wind erosion areas, which will be designated by the regional director) the stalks of sorghums or Sudan grass, classified as soil-depleting, where it is determined by the county committee that such cover is necessary as a protection against wind erosion and the operator's farming plan provides that such cover will be left on the land until the spring of 1939.

2. Restoration of farm woodlots, normally overgrazed, by non-grazing during the normal pasture season. Credit will not be allowed for more than two acres of woodland for each animal unit normally grazed on such woodland.

3. Contour listing or furrowing noncrop land.

4. Stripcropping other than for protection of summer-fallowed acreage.

5. Protecting summer-fallowed acreage from wind and water erosion by contour or basin listing, strip-cropping, or incorporating small-grain stubble and straw into the surface soil. No credit will be given for this practice on any farm when carried out on light sandy soils or on soils in any area where destruction of the vegetative cover has resulted in the land becoming subject to serious wind erosion.

G. Each six acres of the following shall be counted as one unit:

1. Controlling soil erosion by contour cultivation of intertilled crops (applicable only in the Northeast Region).

H. Each eight acres of the following shall be counted as one unit:

1. Contour farming intertilled crops.

2. Contour listing or basin listing on the contour. No credit will be given for this practice when carried out on protected summer-fallowed acreage or as a part of the seeding operation.

I. Each ten acres of the following shall be counted as one unit:

1. Contour seeding of small-grain crops.

2. Basin listing (not on the contour). No credit will be given for this practice when carried out on protected summer-fallowed acreage or as a part of the seeding operation.

3. Natural vegetative cover or small-grain stubble of crops harvested in 1938 left on cropland not tilled after July 1, 1938 where it is determined by the county committee that such cover is necessary as a protection against wind erosion and the operator's farming plan provides that such cover will be left on the land until the spring of 1939 (applicable only in wind erosion areas in Texas, Oklahoma, Kansas, Colorado, and New Mexico, such areas to be designated by the Agricultural Adjustment Administration).

SECTION XV. NORMAL YIELDS AND PRODUCTIVITY INDEXES

A. NORMAL YIELDS OF SPECIAL SOIL-DEPLETING CROPS

The county committee with the assistance of other local committees in the county shall determine for each farm for which a cotton, corn, wheat, rice, tobacco, peanut or potato acreage allotment is to be established a normal yield for each such crop in accordance with the provisions of this section and instructions issued by the Agricultural Adjustment Administration.

1. **Cotton.**—(a) Where reliable records of the actual average yield of cotton per acre for the years 1933 to 1937, inclusive, are presented by the farmer or are available to the committee, the normal yield for the farm shall be the average of such yields adjusted for abnormal weather conditions in accordance with instructions issued by the Agricultural Adjustment Administration.

(b) If for any year of such five-year period records of the actual average yield are not available or there was no actual yield because cotton was not planted on the farm in such year, the normal yield for the farm shall be the yield which, on the basis of all available facts, including the yield customarily secured on the farm, weather conditions, type of soil, drainage, production practices, and general fertility of the land, the county committee determines to be the yield which was or could reasonably have been expected on the farm for such five-year period.

(c) The yields determined under paragraph (b) of this subdivision 1 shall be adjusted so that the average of the normal yields determined for all farms in the county or administrative area (weighted by the cotton acreage allotments established for such farms) shall conform to the county (or administrative area) average yield established by the Secretary.

2. **Corn and wheat.**—(a) Where reliable records of the actual average yield per acre of corn or wheat, as the case may be, for the years 1928 to 1937, inclusive, are presented by the farmer or are available to the committee, the normal yield for the farm shall be the average of such yields adjusted for trends and abnormal weather conditions in accordance with instructions issued by the Agricultural Adjustment Administration.

(b) If for any year of such 10-year period reliable records of the actual average yield are not available or there was no actual yield because the commodity was not planted on the farm in such year, the normal yield for the farm shall be the yield which, on the basis of all the available facts, including the yield customarily secured on the farm, weather conditions, type of soil, drainage, production practices, and general fertility of the land, the county committee determines to be the yield which was or could reasonably have been expected on the farm for such 10-year period. Where the productivity index most recently established for the farm in connection with the agricultural conservation programs is determined by the county committee to be an accurate reflection of the foregoing factors, the yield obtained by multiplying such index by the county average yield established by the Secretary shall be used as the normal yield for the farm.

(c) The yields determined under paragraph (b) of this subdivision 2 shall be adjusted so that the average of the normal yields for all farms in the county (weighted respectively by the corn or wheat acreage allotments established for such farms) shall conform to the county average yield established by the Secretary.

(d) Where normal wheat yields are used for the purpose of computing deductions for farms in the States of Washington, Oregon, Idaho, and Utah (where land summer fallowed is classified as soil-depleting) such yields shall be reduced for such purpose in accordance with instructions issued by the Agricultural Adjustment Administration, to reflect the average production of wheat on the acreage normally devoted to wheat and summer fallow on the farm.

3. **Rice.**—(a) Where reliable records of the actual average yield of rice per acre for the years 1933 to 1937, inclusive, are presented by the farmer or are available to the committee, the normal yield of rice for the farm shall be the average of such yields.

(b) If for any year of such 5-year period records of the actual average yield are not available or there was no actual yield because rice was not planted on the farm in such year, the county committee shall ascertain from all the available facts, including the yield customarily secured on the farm, weather conditions, type of soil, drainage, production practices, and general

fertility of the land, the yield which was or could reasonably have been expected on the farm for such year, and the yield so determined shall be used as the actual yield for such year under paragraph (a) of this subdivision 3.

(c) If the average of the normal yields for all lands planted to rice in 1938 in the State (weighted by the rice acreage allotments therein) exceeds the average yield per acre for the State during the period 1933 to 1937, inclusive, established by the Secretary, the normal yields for such lands, determined under paragraphs (a) and (b) of this subdivision 3, shall be reduced pro rata so that the average of such normal yields shall not exceed such State average yield.

4. Tobacco, peanuts, potatoes.—(a) The normal yield of tobacco, peanuts for market, or potatoes, as the case may be, for any farms shall be the yield which may reasonably be expected from the land devoted to the production of the crop in 1938 with due consideration for type of soil, drainage, production practices, general fertility of the land and the yield of such crop customarily secured on the farm. The average yield for all farms in any county with respect to any such crop shall not exceed the county average yield for the crop established by the Secretary.

B. PRODUCTIVITY INDEXES

The Secretary shall establish for each county a county productivity index or per-acre rate which will vary among the counties as the productivity of the cropland in the county devoted to the production of general soil-depleting crops varies as compared with the productivity of cropland in the United States devoted to the production of such crops.

A productivity index or rate per acre shall be established in accordance with instructions issued by the Agricultural Adjustment Administration for each class A farm by the county committee, subject to the approval of the State committee. Such productivity index or rate per acre shall be based upon the normal yield per acre for the farm of the major soil-depleting crop in the county as compared with the normal yield per acre for such crop in the county. Where the yield of the major soil-depleting crop in the county does not accurately reflect the productivity of a farm, the yield of a crop that reflects the productivity of the farm may be used, provided that the productivity index or rate per acre for such farm shall be adjusted, if necessary, so as to be fair and equitable as compared with the productivity indexes or rates per acre for other farms in the county having similar soils or productive capacity, and as contrasted with other farms in the county having different soils or productive capacity.

The average productivity index or per-acre rate for all farms in the county shall not exceed 100 or the county per-acre rate, respectively, unless it is determined that farms for which such indexes or rates per acre are established are not representative of all farms in the county and a variation from 100 or the county per-acre rate is approved by the Agricultural Adjustment Administration.

SECTION XVI. APPEALS

Any person who considers himself aggrieved by any recommendation or determination of the county committee with respect to any farm in which he has an interest may, within 15 days after notice thereof is forwarded to or available to him request the county committee in writing to reconsider its recommendation or determination with respect to any of the following matters: (a) Eligibility to file an application for payment; (b) any soil-depleting acreage allotment or soil-building goal; (c) the division of payment; or (d) any other matter affecting the right to or the amount of his payment with respect to the farm. The county committee shall notify such person of its decision in writing within 15 days after receipt of such written request for reconsideration. If such person is dissatisfied with the decision of the county committee he may, within 15 days after such decision is forwarded to or made available to him, appeal in writing to the State committee. The State committee shall notify such person of its decision in writing within 30 days after the receipt of the appeal. If such person is dissatisfied with the decision of the State committee, he may, within 15 days after such decision is forwarded to or made available to him, request the regional director to review the decision of the State committee.

SECTION XVII. STATE AND REGIONAL BULLETINS, INSTRUCTIONS, AND FORMS

The Agricultural Adjustment Administration shall prepare and issue such State and regional bulletins, instructions, and forms as may be required in administering the 1938 Agricultural Conservation Program.

SECTION XVIII. DEFINITIONS

For the purposes of the 1938 Agricultural Conservation Program

Secretary means the Secretary of Agriculture of the United States.

Regional director means the director of the division of the Agricultural Adjustment Administration in charge of the 1938 Agricultural Conservation Program in the region.

Northeast Region means the area included in the States of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

East Central Region means the area included in the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.

Southern Region means the area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

North Central Region means the area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

Western Region means the area included in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

State committee means the group of persons designated within any State to assist in the administration of the 1938 Agricultural Conservation Program in such State.

County committee means the group of persons elected within any county to assist in the administration of the 1938 Agricultural Conservation Program in such county.

County means the political or civil division of a State designated as a county or in the State of Louisiana as a parish, except that for the purposes of the 1938 Agricultural Conservation Program groups of townships in the political or civil divisions of Polk, Ottertail, and St. Louis in Minnesota, and Pottawattamie in Iowa may be designated as counties.

Person means an individual, partnership, association, corporation, estate, or trust, and, wherever applicable, a State, a political subdivision of a State, or any agency thereof.

Landlord means a person who owns land and rents such land to another person or operates such land.

Sharecropper means a person who works a farm in whole or in part under the general supervision of the operation and is entitled to receive for his labor a share of a crop produced thereon or the proceeds thereof.

Tenant means a person other than a sharecropper who rents land from another person (for cash, a fixed commodity payment, or a share of the proceeds of the crops) and is entitled under a written or oral lease or agreement to receive all or a share of the proceeds of the crops produced thereon, and, in the case of rice, also means a person furnishing water for a share of the rice.

Farm means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:

1. Any other adjacent or nearby farm land operated by the same person (as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other land), the inclusion of which is requested or agreed to, within the time and in the manner specified by the Agricultural Adjustment Administration, by the operator and all the owners who are entitled to share in the proceeds of the crops on any of the land to be included in the farm, which request and agreement shall be applicable to the designation of the land included in such farm both under the 1938 Agricultural Conservation Program and under the provisions of the Agricultural Adjustment Act of 1938; and

2. Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops;

Provided, That land not under the same ownership shall be included in the same farm only if the county committee determines that all of such land is customarily regarded in the community as constituting one farm. A farm shall be regarded as located in the county or administrative area, as the case may be, in which the principal dwelling is situated, or if there is no dwelling thereon, it shall be regarded as located in the county or administrative area, as the case may be, in which the major portion of the farm is located.

All adjacent or nearby farm land under the same ownership which is operated by one person may be considered a farm even though such land is located in more than one State if the Regional Director finds that such land is, in fact, operated as a unit with respect to the rotation of crops.

Class A farms include:

- (1) All farms in the North Central Region.
- (2) All farms in Kansas, North Dakota, and Oklahoma.
- (3) All farms in Texas except in Reeves and El Paso Counties.
- (4) All farm in the following counties in Montana, Wyoming, Colorado,

New Mexico, California, and Arkansas:

MONTANA: Glacier, Pondera, Teton, Lewis and Clark, Broadwater, Gallatin, and all counties east thereof.

WYOMING: Campbell, Converse, Crook, Goshen, Johnson, Laramie, Niobrara, Platte, Sheridan, and Weston.

COLORADO: Larimer, Boulder, Jefferson, Teller, El Paso, Pueblo, Huerfano, Las Animas, and all counties east thereof.

NEW MEXICO: Union, Harding, Quay, Curry, Roosevelt, De Baca, Torrance, Lincoln, Lea, and Otero.

CALIFORNIA: Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, San Benito, Monterey, Sacramento, San Joaquin, San Luis Obispo, Santa Barbara, Solano, Stanislaus, Sutter, Tehama, Tulare, Ventura, Yolo, Yuba, and that portion of Placer County lying west of the east boundary of Range 6 East, Mt. Diablo Meridian.

ARKANSAS: Arkansas, Baxter, Benton, Boone, Carroll, Clay, Crawford, Franklin, Fulton, Independence, Johnson, Logan, Madison, Marion, Newton, Perry, Prairie (except Area II), Randolph (except Area I), Saline, Scott, Searcy, Sebastian (except Area I), Sharp, Stone, Van Buren, Washington, and Yell.

(5) All farms in Aroostook County, Maine, and in the townships of Patten, Mt. Chase, and Stacyville in Penobscot County, Maine, for which potato acreage allotments are established; and

(6) All farms in the Northeast Region on which the average acreage of commercial vegetables grown on the farm in 1936 and 1937 exceeds 50 percent of the acreage of cropland in excess of the sum of the average acreages of potatoes and tobacco grown on the farm in 1936 and 1937.

Class B farms means all farms which are not class A farms.

Cropland means farm land which is tilled annually or in a regular rotation, excluding commercial orchards, restoration land, and any land which constitutes, or will constitute if such tillage is continued, a wind erosion hazard to the community, but including any other land which has been planted since January 1, 1930 to permanent pasture or forest trees and which was classified as cropland under the 1937 Agricultural Conservation Program, and including also land planted to noncommercial orchards other than abandoned orchards.

Restoration land means farm land, in areas designated by the Agricultural Adjustment Administration as areas subject to serious wind erosion and areas containing large acreages unsuited to continued production of cultivated crops, which has been cropped at least once since January 1, 1930, and which is designated by the county committee as land on which, because of its physical condition and texture and because of climatic conditions, a permanent vegetative cover should be restored.

Commercial orchards means the acreage in planted or cultivated fruit trees, nut trees, vineyards, hops, or bush fruits on the farm on January 1, 1938 (excluding non-bearing orchards and vineyards), from which the principal part of the production is normally sold.

Cotton means cotton the staple of which is normally less than 1½ inches in length. American-Egyptian cotton, Sea Island cotton, and any other cotton, the staple of which is normally 1½ inches or more in length shall be considered as a general soil-depleting crop and not as cotton in connection with the 1938 Agricultural Conservation Program.

Commercial vegetables means the acreage of vegetables or truck crops (including potatoes on farms where a potato acreage allotment is not established, sweet potatoes, tomatoes, sweet corn, melons, cantaloupes, strawberries, and commercial bulbs and flowers, but excluding peas for canning and sweet corn for canning and artichokes for use other than as vegetables) of which the principal part of the production is sold to persons not living on the farm.

Peanuts for market means only those peanuts separated from the vines by mechanical means and from which the principal part of the production is sold to persons off the farm.

Soil conserving acreage means the total acreage of cropland in any class A farm in excess of the total soil-depleting acreage allotment established for the farm.

Noncrop open pasture means pasture land (other than rotation pasture land and range land) on which the predominant growth is forage suitable for grazing and on which the number or grouping of any trees or shrubs is such that the land could not fairly be considered as woodland.

Commercial corn-producing area means the area included in the following counties of the States specified:

ILLINOIS: All counties.

INDIANA: All counties except Brown, Clark, Crawford, Floyd, Harrison, Jefferson, Lawrence, Martin, Monroe, Ohio, Orange, Perry, Scott, Spencer, and Switzerland.

IOWA: All counties.

MICHIGAN: Branch, Hillsdale, Lenawee, Monroe, and St. Joseph.

MINNESOTA: Big Stone, Blue Earth, Brown, Carver, Chippewa, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Grant, Houston, Jackson, Kandiyohi, Lac Qui Parle, Le Sueur, Lincoln, Lyon, McLeod, Martin, Meeker, Mower, Murray, Nicollet, Nobles, Olmstead, Pipestone, Redwood, Renville, Rice, Rock, Scott, Sibley, Steele, Stevens, Swift, Traverse, Wabasha, Waseca, Watonwan, Winona, Wright, and Yellow Medicine.

MISSOURI: Adair, Andrew, Atchison, Audrain, Barton, Bates, Benton, Boone, Buchanan, Caldwell, Callaway, Cape Girardeau, Carroll, Cass, Chariton, Clark, Clay, Clinton, Cooper, Daviess, DeKalb, Gentry, Grundy, Harrison, Henry, Holt, Howard, Jackson, Johnson, Knox, Lafayette, Lewis, Lincoln, Linn, Livingston, Macon, Marion, Mercer, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Pemiscot, Perry, Pettis, Pike, Platte, Putnam, Ralls, Randolph, Ray, St. Charles, St. Clair, Saline, Schuyler, Scotland, Scott, Shelby, Stoddard, Vernon, and Worth.

NEBRASKA: All counties except Arthur, Banner, Blaine, Box Butte, Brown, Chase, Cherry, Cheyenne, Dawes, Deuel, Garden, Garfield, Grant, Holt, Hooker, Keith, Keyapaha, Kimball, Lincoln, Logan, Loup, McPherson, Morrill, Rock, Scotts Bluff, Sheridan, Sioux, Thomas, and Wheeler.

* OHIO: All counties except Ashtabula, Athens, Belmont, Carroll, Columbiana, Cuyahoga, Gallia, Geauga, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lake, Lawrence, Lorain, Mahoning, Medina, Meigs, Monroe, Morgan, Muskingum, Noble, Portage, Stark, Summit, Trumbull, Tuscarawas, Vinton, Washington, and Wayne.

SOUTH DAKOTA: Bon Homme, Brookings, Charles Mix, Clay, Davison, Douglas, Hanson, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Minnehaha, Moody, Turner, Union, and Yanktown.

WISCONSIN: Dane, Grant, Green, Iowa, Lafayette, and Rock.

KANSAS: Anderson, Atchison, Brown, Coffey, Crawford, Doniphan, Douglas, Franklin, Jackson, Jefferson, Jewell, Johnson, Leavenworth, Linn, Lyon, Marshall, Miami, Nemaha, Norton, Osage, Phillips, Pottawatomie, Republic, Riley, Shawnee, Smith, and Washintgon

KENTUCKY: Fulton, Henderson, Hickman, and Union.

General soil-depleting crops means all soil-depleting crops other than sugar beets and sugarcane for sugar and those for which individual crop acreage allotments are established on the farm.

Animal unit means one cow, one horse, five sheep, or five goats, two calves, or two colts, or the equivalent thereof.

Early potato-producing area means all the States in the East Central and Southern Regions, the States of Missouri and Kansas, the counties of Kern,

Los Angeles, Riverside, San Bernardino, San Diego, and Santa Barbara in the State of California, the counties of Clark, Floyd, and Harrison in the State of Indiana, and the counties of Dawson and Buffalo in Nebraska.

Late potato-producing area means the area not included in the early potato-producing area.

Done at Washington, D. C., this 10th day of October 1939. Witness my hand and the seal of the Department of Agriculture.¹

H. A. WALLACE,
Secretary of Agriculture.

¹This is the attestation of Supplement No. 27 to the 1938 Agricultural Conservation Program Bulletin. Attestations similar to that above appeared on the 1938 Agricultural Conservation Program Bulletin, approved October 23, 1937, and on each of the supplements 1 to 27, inclusive, which are included herein. Supplements 1 to 27, inclusive, to the 1938 Agricultural Conservation Program Bulletin were approved on the following dates: Supplement No. 1, January 10, 1938; Supplement No. 2, February 1, 1938; Supplement No. 3, March 24, 1938; Supplement No. 4, March 21, 1938; Supplement No. 5, April 8, 1938; Supplement No. 6, April 13, 1938; Supplement No. 7, April 16, 1938; Supplement No. 8, April 28, 1938; Supplement No. 9, May 25, 1938; Supplement No. 10, July 11, 1938; Supplement No. 11, August 5, 1938; Supplement No. 12, December 21, 1938; Supplement No. 13, September 1, 1938; Supplement No. 14, October 6, 1938; Supplement No. 15, October 21, 1938; Supplement No. 16, October 28, 1938; Supplement No. 17, November 16, 1938; Supplement No. 18, December 30, 1938; Supplement No. 19, December 21, 1938; Supplement No. 20, December 29, 1938; Supplement No. 21, January 25, 1939; Supplement No. 22, January 19, 1939; Supplement No. 23, May 17, 1939; Supplement No. 24, May 24, 1939; Supplement No. 25, July 14, 1939; Supplement No. 26, August 11, 1939; Supplement No. 27, October 10, 1939.

APPENDIX B.—1938 CONSERVATION PROGRAMS—STATISTICAL SUMMARY — (PRELIMINARY, AS OF JULY 1, 1939)

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Table No. 1.—PARTICIPATION AND ESTIMATED GROSS PAYMENTS, 1938 AGRICULTURAL CONSERVATION PROGRAM (PRELIMINARY, AS OF JULY 1, 1939)

State and Region	Applications, farms ¹	Cropland on application	Total cropland in State	Cropland covered	Payees ²	Estimated gross payments ²	Average payment per payee ²
	<i>Number</i>	<i>Acres</i>	<i>Acres</i>	<i>Percent</i>	<i>Number</i>	<i>Dollars</i>	<i>Dollars</i>
Maine-----	14,700	847,764	1,451,246	58.4	14,876	1,912,911	128.59
New Hampshire-----	5,200	212,938	451,078	47.2	5,216	187,668	35.98
Vermont-----	8,620	605,799	1,149,757	52.7	8,730	519,786	59.54
Massachusetts-----	7,560	254,392	586,748	43.4	7,583	425,704	56.14
Rhode Island-----	598	25,004	75,033	33.3	598	33,895	56.68
Connecticut-----	4,730	194,217	531,454	36.5	4,758	434,971	91.42
New York-----	43,500	3,348,898	8,445,732	39.7	44,761	3,254,670	72.71
New Jersey-----	11,775	712,388	1,050,725	67.8	12,567	1,171,612	93.23
Pennsylvania-----	57,000	3,801,454	8,024,654	47.4	60,648	3,653,700	60.24
Total Northeast Region-----	153,683	10,002,854	21,766,427	46.0	159,737	11,594,917	72.59
Illinois-----	114,760	12,144,068	23,078,768	52.6	114,760	18,406,538	160.39
Indiana-----	106,997	7,675,452	13,523,837	56.8	102,224	10,502,185	102.74
Iowa-----	143,504	15,400,844	24,228,896	63.6	143,604	28,201,937	196.39
Michigan-----	121,549	7,321,002	10,731,946	68.2	121,549	6,427,270	52.88
Minnesota-----	137,412	13,450,376	19,469,395	69.1	137,412	15,829,134	115.19
Missouri-----	128,945	11,164,862	16,054,617	69.5	128,945	13,133,042	101.85
Nebraska-----	78,146	11,680,932	20,446,092	57.1	80,834	13,015,371	161.01
Ohio-----	106,501	6,685,718	12,875,572	51.9	112,222	8,697,650	77.50
South Dakota-----	95,944	14,578,404	16,842,968	86.6	101,794	13,864,368	136.20
Wisconsin-----	142,870	9,516,625	11,578,447	82.2	150,742	9,738,852	64.61
Total North Central Region-----	1,176,628	109,618,283	168,830,538	64.9	1,194,086	137,816,347	115.42
Delaware-----	6,913	480,600	580,538	82.8	9,678	579,754	60.53
Maryland-----	21,073	1,654,300	2,425,921	68.2	25,498	1,557,613	61.09
Virginia-----	81,340	3,939,500	5,449,584	72.3	101,675	4,386,814	43.15
West Virginia-----	39,887	1,344,000	1,951,634	68.9	40,286	1,202,092	29.84
North Carolina-----	173,300	6,556,000	7,988,855	82.1	291,144	14,503,879	49.82
Kentucky-----	159,252	9,928,300	11,348,510	87.5	240,471	9,409,750	39.13
Tennessee-----	151,581	8,465,200	9,927,912	85.3	256,172	10,944,453	42.72
Total East Central Region-----	633,346	32,367,900	39,672,955	81.6	964,924	42,584,355	44.13

¹ For the North Central Region, data are numbers of applications, which exceed number of application farms.

² Includes range and naval store conservation programs.

Table No. 1.—PARTICIPATION AND ESTIMATED GROSS PAYMENTS, 1938
AGRICULTURAL CONSERVATION PROGRAM, ETC.—Continued

State and Region	Applications, farms	Cropland on applica- tion	Total cropland in State	Crop- land cov- ered	Payees	Estimated gross payments	Average pay- ment per payee
	<i>Number</i>	<i>Acres</i>	<i>Acres</i>	<i>Percent</i>	<i>Number</i>	<i>Dollars</i>	<i>Dollars</i>
Alabama.....	181,700	8,481,000	9,206,026	92.1	291,232	17,276,937	59.32
Arkansas.....	147,200	8,510,000	9,200,132	92.5	276,000	17,187,000	62.27
Florida.....	37,500	1,615,000	2,479,266	65.1	41,268	2,964,105	71.83
Georgia.....	157,000	9,293,000	11,282,894	82.4	261,034	17,827,165	68.29
Louisiana.....	95,200	4,942,000	5,660,949	87.3	186,003	10,374,507	55.78
Mississippi.....	138,000	8,347,000	8,626,521	96.8	312,579	21,513,665	68.83
Oklahoma.....	169,900	14,390,000	18,723,016	76.9	240,470	17,355,000	72.17
South Carolina.....	105,800	5,231,000	5,696,978	91.8	167,089	12,033,472	72.02
Texas.....	355,400	35,850,000	39,647,414	90.4	596,731	62,979,619	105.54
Total Southern Region.....	1,387,700	96,659,000	110,523,196	87.5	2,372,406	179,511,470	75.67
Arizona.....	4,984	584,748	689,137	84.9	4,691	2,558,678	545.44
California.....	70,505	4,931,419	9,099,899	54.2	61,752	7,610,535	123.24
Colorado.....	40,494	6,757,435	8,307,124	81.3	40,989	4,882,244	119.11
Idaho.....	22,345	2,677,678	3,898,727	68.7	19,768	2,344,637	118.61
Kansas.....	76,886	15,336,962	28,751,233	53.3	109,995	15,696,536	142.70
Montana.....	49,457	9,435,532	10,227,971	92.3	44,396	7,298,367	164.39
Nevada.....	1,448	189,963	377,686	50.3	1,569	112,769	71.87
New Mexico.....	15,606	1,738,687	2,405,576	72.3	17,361	3,316,549	191.03
North Dakota.....	113,486	21,035,448	24,181,128	87.0	107,282	17,780,412	165.74
Oregon.....	27,402	3,220,496	3,887,127	82.9	28,743	3,139,063	109.21
Utah.....	13,486	907,128	1,392,584	65.1	15,031	624,060	41.52
Washington.....	26,304	3,758,027	6,245,684	60.2	26,027	3,587,141	137.82
Wyoming.....	9,374	1,471,918	1,999,464	73.6	11,872	1,626,521	137.00
Total Western Region.....	471,777	72,045,441	101,463,340	71.0	489,476	70,577,482	144.19
Alaska.....					40	1,050	26.25
Hawaii.....					688	101,000	146.80
Puerto Rico.....					67,439	1,504,617	22.31
Total Insular Region.....					68,167	1,606,667	23.57
United States total.....	3,823,134	320,693,478	442,256,456	72.5	5,248,796	443,691,238	84.53

Table No. 2.—ESTIMATED GROSS PAYMENTS,¹ BY STATES AND COM-
MODITIES, 1938 AGRICULTURAL CONSERVATION PROGRAM (PRE-
LIMINARY, AS OF JULY 1, 1939)

[All figures in thousands of dollars, i. e., 000 omitted]

State and Region	Cotton	Corn, com- mercial	Wheat	Tobacco				
				Flue- cured	Burley	Dark	Cigar	Ga.- Fla.
Maine.....								
New Hampshire.....							1	
Vermont.....							1	
Massachusetts.....							72	
Rhode Island.....								
Connecticut.....							169	
New York.....			202				6	
New Jersey.....			30					
Pennsylvania.....			742				161	
Total Northeast Region.....			974				410	
Illinois.....	20	11,396	1,406		(?)			
Indiana.....		5,510	1,335		32	3		
Iowa.....		19,655	319					
Michigan.....		251	719					

¹ Includes amounts deducted for county association expenses.² Less than \$500.

Table No. 2.—ESTIMATED GROSS PAYMENTS, BY STATES AND COMMODITIES, 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Con.

[All figures in thousands of dollars, i. e., 000 omitted]

State and Region	Cotton	Corn, com- mercial	Wheat	Tobacco				
				Flue- cured	Burley	Dark	Cigar	Ga.- Fla.
Minnesota.....		5,660	1,309				7	
Missouri.....	2,511	4,112	961		12			
Nebraska.....		6,356	2,005					
Ohio.....		3,521	1,483		39		71	
South Dakota.....		2,092	2,912					
Wisconsin.....		856	87				192	
Total North Central Region.....	2,531	59,409	12,536		83	3	270	
Delaware.....			157					
Maryland.....			452					
Virginia.....	316		311	408		311		
West Virginia.....			41		48			
North Carolina.....	6,976		73	3,901	44			
Kentucky.....	141	348	395		1,167	1,214		
Tennessee.....	5,319		109		262	744		
Total East Central Region.....	12,752	348	1,538	4,309	1,538	2,269		
Alabama.....	13,825			2				
Arkansas.....	13,647		7					
Florida.....	263			73			3	31
Georgia.....	12,998		3	571			2	4
Louisiana.....	7,695							
Mississippi.....	18,527							
Oklahoma.....	7,046		3,429					
South Carolina.....	9,404		12	564				
Texas.....	36,653		3,779					
Total Southern Region.....	120,058		7,230	1,210			5	35
Arizona.....	1,967		43					
California.....	3,356		389					
Colorado.....			968					
Idaho.....			1,355					
Kansas.....	2	1,287	8,742		1			
Montana.....			3,478					
Nevada.....			19					
New Mexico.....	1,023		294					
North Dakota.....			8,240					
Oregon.....			1,689					
Utah.....			324					
Washington.....			2,418					
Wyoming.....			221					
Total Western Region.....	6,348	1,287	28,180		1			
Alaska.....								
Hawaii.....								
Puerto Rico.....								
Total Insular Region.....								
United States total.....	141,689	61,044	50,458	5,519	1,622	2,272	685	35

State and Region	Pota- toes com- mer- cial	Pea- nuts for nuts	Rice	General diver- sion	Soil- build- ing prac- tices	Resto- ration land	Range	Naval stores	Total gross pay- ments
Maine.....	1,437				476				1,913
New Hampshire.....	20				167				188
Vermont.....	15				504				520
Massachusetts.....	44				310				426
Rhode Island.....	7				27				34
Connecticut.....	61				205				435
New York.....	348				2,699				3,255
New Jersey.....	221				920				1,171
Pennsylvania.....	267				2,484				3,654
Total Northeast Region.....	2,420				7,792				11,596

Table No. 2.—ESTIMATED GROSS PAYMENTS, BY STATES AND COMMODITIES, 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Con.

[All figures in thousands of dollars, i. e., 000 omitted]

State and Region	Potatoes commercial	Peanuts for nuts	Rice	General diversion	Soil-building practices	Restoration land	Range	Naval stores	Total gross payments
Illinois.....	-----	-----	-----	3,627	1,957	-----	-----	-----	18,406
Indiana.....	52	-----	-----	2,145	1,425	-----	-----	-----	10,502
Iowa.....	-----	-----	-----	5,587	2,641	-----	-----	-----	28,202
Michigan.....	551	-----	-----	3,419	1,487	-----	-----	-----	6,427
Minnesota.....	275	-----	-----	6,957	1,621	-----	-----	-----	15,829
Missouri.....	32	-----	-----	2,990	2,516	-----	-----	-----	13,134
Nebraska.....	131	-----	-----	3,016	853	109	545	-----	13,015
Ohio.....	62	-----	-----	2,067	1,454	-----	-----	-----	8,697
South Dakota.....	42	-----	-----	6,553	955	427	883	-----	13,864
Wisconsin.....	223	-----	-----	6,214	2,168	-----	-----	-----	9,740
Total North Central Region.....	1,368	-----	-----	42,575	17,077	536	1,428	-----	137,816
Delaware.....	6	-----	-----	-----	417	-----	-----	-----	580
Maryland.....	58	-----	-----	-----	1,048	-----	-----	-----	1,558
Virginia.....	303	207	-----	-----	2,483	-----	-----	-----	4,387
West Virginia.....	-----	-----	-----	-----	1,144	-----	-----	-----	1,202
North Carolina.....	217	348	-----	-----	2,944	-----	-----	-----	14,503
Kentucky.....	38	-----	-----	-----	6,107	-----	-----	-----	9,410
Tennessee.....	-----	-----	-----	-----	4,510	-----	-----	-----	10,944
Total East Central Region.....	622	555	-----	-----	18,653	-----	-----	-----	42,584
Alabama.....	7	249	-----	-----	3,091	-----	-----	103	17,277
Arkansas.....	-----	-----	292	835	2,406	-----	-----	-----	17,187
Florida.....	106	36	-----	-----	2,141	-----	-----	311	2,964
Georgia.....	-----	268	-----	-----	3,462	-----	-----	519	17,827
Louisiana.....	-----	-----	985	-----	1,691	-----	-----	3	10,374
Mississippi.....	-----	-----	-----	-----	2,966	-----	-----	21	21,514
Oklahoma.....	10	21	-----	5,484	955	61	349	-----	17,355
South Carolina.....	96	-----	-----	-----	1,919	-----	-----	38	12,033
Texas.....	-----	88	378	11,336	4,093	38	6,613	2	62,980
Total Southern Region.....	219	662	1,655	17,655	22,724	99	6,962	997	179,511
Arizona.....	-----	-----	-----	-----	128	-----	421	-----	2,559
California.....	184	-----	254	1,446	1,764	-----	217	-----	7,610
Colorado.....	400	-----	-----	2,175	905	141	293	-----	4,882
Idaho.....	317	-----	-----	-----	613	-----	59	-----	2,344
Kansas.....	36	-----	-----	4,100	1,243	120	166	-----	15,697
Montana.....	12	-----	-----	1,603	1,395	263	547	-----	7,298
Nevada.....	3	-----	-----	-----	49	-----	42	-----	113
New Mexico.....	-----	-----	-----	577	332	48	1,043	-----	3,317
North Dakota.....	208	-----	-----	6,711	2,315	266	40	-----	17,780
Oregon.....	112	-----	-----	-----	1,188	-----	150	-----	3,139
Utah.....	24	-----	-----	-----	252	-----	24	-----	624
Washington.....	159	-----	-----	-----	957	-----	53	-----	3,587
Wyoming.....	31	-----	-----	341	338	51	645	-----	1,627
Total Western Region.....	1,486	-----	254	16,953	11,479	889	3,700	-----	70,577
Alaska.....	-----	-----	-----	-----	-----	-----	-----	-----	1
Hawaii.....	-----	-----	-----	-----	-----	-----	-----	-----	101
Puerto Rico.....	-----	-----	-----	-----	-----	-----	-----	-----	1,505
Total Insular Region.....	-----	-----	-----	-----	-----	-----	-----	-----	1,607
United States total.....	6,115	1,217	1,909	77,183	77,725	1,524	12,090	997	443,691

Table No. 3.—SOIL-BUILDING PRACTICES CARRIED OUT UNDER THE 1938 AGRICULTURAL CONSERVATION PROGRAM (PRELIMINARY, AS OF JULY 1, 1939)

State and Region	New seedings						Renova- tion of peren- nial grasses and legumes
	Biennial and perennial legumes and perennial grasses ¹		Other legumes and annual grasses	Timothy and redtop	Plant- ing sod pieces	Total	
	Alfalfa	Other ²					
	Acres	Acres	Acres	Acres	Acres	Acres	Acres
Maine.....	96	95, 241		1, 465		96, 802	
New Hampshire.....	912	14, 558		949		16, 419	
Vermont.....	3, 928	39, 087				43, 015	
Massachusetts.....	2, 161	12, 903				15, 064	
Rhode Island.....	112	1, 435		144		1, 691	
Connecticut.....	2, 462	4, 185				6, 647	
New York.....	50, 372	298, 551				348, 923	1, 442
New Jersey.....	25, 035	49, 393				74, 428	
Pennsylvania.....	63, 400	316, 435				379, 835	
Total Northeast Region.....	148, 478	831, 788		2, 558		982, 824	1, 442
Illinois.....		1, 465, 532	224, 107	217, 921		1, 907, 560	
Indiana.....		1, 022, 073	183, 390	133, 759		1, 339, 222	
Iowa.....		2, 270, 981	38, 548	337, 256		2, 646, 785	
Michigan.....		865, 641	39, 044	22, 186		926, 871	
Minnesota.....		1, 319, 345	18, 165	26, 109		1, 363, 619	
Missouri.....		409, 481	994, 742	717, 116		2, 121, 339	
Nebraska.....		167, 498	2, 912	705		171, 115	
Ohio.....		1, 027, 437	22, 948	214, 530		1, 264, 915	
South Dakota.....		411, 526	3, 936	4, 022		419, 484	
Wisconsin.....		1, 365, 284	14, 855	71, 429		1, 451, 568	
Total North Central Region.....		10, 324, 798	1, 542, 647	1, 745, 033		13, 612, 478	
Delaware.....	951	35, 091	93, 425	36, 938		166, 405	
Maryland.....	13, 321	299, 064	96, 513	153, 142		561, 980	
Virginia.....	13, 012	315, 807	404, 119	157, 811		890, 749	
West Virginia.....	12, 890	158, 648	39, 839	109, 608		320, 985	
North Carolina.....	1, 563	69, 529	782, 529	10, 481		864, 102	
Kentucky.....	58, 746	758, 976	1, 402, 662	424, 485		2, 644, 869	
Tennessee.....	21, 717	245, 092	1, 643, 877	133, 281		2, 043, 967	
Total East Central Region.....	122, 200	1, 882, 147	4, 462, 964	1, 025, 746		7, 493, 057	
Alabama.....		23, 736	611, 793	320	276	636, 125	
Arkansas.....		89, 792	732, 833	7, 894	14, 368	844, 887	
Florida.....		906	17, 423		3, 656	21, 985	
Georgia.....		21, 570	406, 365	952	1, 624	430, 511	
Louisiana.....		78, 480	264, 798	64	427	343, 769	
Mississippi.....		68, 626	860, 795		543	929, 964	
Oklahoma.....		100, 997	106, 930	1, 586	9, 624	219, 137	
South Carolina.....		9, 553	207, 790	36	198	217, 577	
Texas.....		164, 260	85, 750	20, 610	28, 914	299, 534	
Total Southern Region.....		557, 920	3, 294, 477	31, 462	59, 630	3, 943, 489	
Arizona.....		55, 502	6, 815			62, 317	56, 544
California.....		228, 618	28, 770	40		257, 428	115, 454
Colorado.....		229, 972		522		230, 494	116, 988
Idaho.....		261, 870	319	1, 216		263, 405	148, 956
Kansas.....		175, 387	65, 115	6, 034	4	246, 540	
Montana.....		430, 296	3, 574	1, 912		435, 782	67, 010
Nevada.....		14, 670	310	194		15, 174	23, 132
New Mexico.....		48, 482	1, 412			49, 894	15, 058
North Dakota.....		1, 432, 197		2, 778		1, 434, 975	
Oregon.....		278, 698	220, 430	1, 126		500, 254	64, 570
Utah.....		73, 975		254		74, 229	5, 070
Washington.....		320, 352	22, 834	1, 018		344, 204	126, 632
Wyoming.....		126, 177		1, 964		128, 141	67, 814
Total Western Region.....		3, 676, 196	349, 579	17, 058	4	4, 042, 837	807, 228
United States total.....	270, 678	17, 272, 849	9, 649, 667	2, 821, 857	59, 634	30, 074, 685	808, 670

¹ Excludes timothy and redtop and mixtures consisting of timothy and redtop.² Includes alfalfa, except in Northeast and East Central Regions.

Table No. 3.—SOIL-BUILDING PRACTICES CARRIED OUT UNDER THE 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Continued

State and Region	Green manure and cover crops						Mulch- ing
	On vege- table land	Summer legumes	Sorghums and Sudan grass left on land	Natural vegetable cover or small grain stubble left on land	Other and un- classified	Total	
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Tons</i>
Maine.....					27,707	27,707	2,700
New Hampshire.....					3,248	3,248	1,734
Vermont.....					3,764	3,764	942
Massachusetts.....					29,478	29,478	9,221
Rhode Island.....					2,962	2,962	121
Connecticut.....					21,627	21,627	1,323
New York.....					101,253	101,253	116,589
New Jersey.....					168,913	168,913	52,881
Pennsylvania.....					75,438	75,438	2,142
Total Northeast Region.....					434,390	434,390	187,653
Illinois.....					5,367	5,367	856
Indiana.....					7,758	7,758	1,208
Iowa.....					1,846	1,846	120
Michigan.....					53,694	53,694	8,750
Minnesota.....					1,705	1,705	39
Missouri.....							687
Nebraska.....			1,212		18,600	19,812	
Ohio.....					6,887	6,887	3,433
South Dakota.....			506		47,069	47,575	
Wisconsin.....					3,991	3,991	1,295
Total North Central Region.....			1,718		146,917	148,635	16,388
Delaware.....	21	12			95,052	95,085	
Maryland.....	10,408	1,630			89,102	101,140	
Virginia.....	30,857	70,987			189,485	291,329	
West Virginia.....		596			26,389	26,985	
North Carolina.....	1,906	964,365			603,639	1,569,910	
Kentucky.....		4,087			151,216	155,303	
Tennessee.....	112	276,059			219,898	496,069	
Total East Central Region.....	43,304	1,317,736			1,374,781	2,735,821	
Alabama.....	49	1,457,166			511,348	1,968,563	2,022
Arkansas.....	82	1,068,120			460,943	1,529,145	868
Florida.....	142,268	117,804			746,299	1,006,371	2,886
Georgia.....	303	2,040,588			630,917	2,671,808	2,632
Louisiana.....	2,552	1,255,858			366,375	1,624,785	2,500
Mississippi.....	2,116	1,612,218			985,518	2,599,852	
Oklahoma.....		102,690	382,488	122,910	364,719	972,807	118
South Carolina.....	5,080	1,159,856			445,071	1,610,007	712
Texas.....	416	895,712	174,476	231,940	2,171,803	3,474,347	1,062
Total Southern Region.....	152,866	9,710,012	556,964	354,850	6,682,993	17,457,685	12,800
Arizona.....	2,924				12,857	15,781	
California.....	5,472				1,623,109	1,628,581	61,382
Colorado.....	18		360,948	338,000	198,696	897,662	3,988
Idaho.....					30,682	30,682	300
Kansas.....			562,040	788,130	143,689	1,493,859	252
Montana.....	5		336		2,341	2,682	940
Nevada.....					398		
New Mexico.....		98	37,596	67,460	49,980	155,134	
North Dakota.....			384		89,766	90,150	
Oregon.....	1,142				75,087	76,229	26,768
Utah.....					3,976	3,976	364
Washington.....	88				69,852	69,940	23,025
Wyoming.....			124		1,940	2,064	
Total Western Region.....	9,649	98	961,428	1,193,590	2,302,373	4,467,138	116,945
United States total.....	205,819	11,027,846	1,520,110	1,548,440	10,941,454	25,243,669	333,786

Table No. 3.—SOIL-BUILDING PRACTICES CARRIED OUT UNDER THE 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Continued

State and Region	Forest tree practices					Fertilizer and lime applications	
	Plant- ing trees	Main- tain- ing stands	Im- proving stands	Non- grazing wood- lots	Total	Lime- stone	16 per- cent super- phos- phate or equiva- lent
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Tons</i>	<i>Tons</i>
Maine.....	73		1,339	1,696	3,108	31,620	8,998
New Hampshire.....	116		3,416	811	4,343	12,443	5,437
Vermont.....	454		1,195	18,598	20,247	20,996	26,451
Massachusetts.....	131		777	960	1,868	26,044	6,853
Rhode Island.....	3		17	60	80	3,192	609
Connecticut.....	149		223		372	31,463	5,523
New York.....	2,822		580	5,617	9,019	275,494	74,509
New Jersey.....	145		250		395	94,063	6,505
Pennsylvania.....	1,749		166	3,203	5,118	665,938	19,330
Total, Northeast Region.....	5,642		7,963	30,945	44,550	1,161,253	154,115
Illinois.....	30	140	10		180	579,332	2,391
Indiana.....	150	156	38		344	201,723	216
Iowa.....	69	140	10		219	203,010	215
Michigan.....	648	647	2,562		3,857	156,111	1,068
Minnesota.....	732	1,387	28,990		31,109	15,914	147
Missouri.....	136	41	564		741	205,494	1,157
Nebraska.....	3,909	4,536	10		8,455	529	14
Ohio.....	126	94	61		281	202,017	2,066
South Dakota.....	5,150	9,781	23		14,954		
Wisconsin.....	645	163	2,309		3,117	182,668	828
Total, North Central Region.....	11,595	17,085	34,577		63,257	1,746,798	8,102
Delaware.....	23		8		31	25,100	3,229
Maryland.....	41		97		138	160,061	10,867
Virginia.....	432		506		938	393,473	44,630
West Virginia.....	125		780		905	225,842	38,689
North Carolina.....	1,144		2,392		3,536	82,253	5,309
Kentucky.....	513		1,923		2,436	784,551	97,797
Tennessee.....	2,913		134		3,047	337,560	33,567
Total, East Central Region.....	5,191		5,840		11,031	2,008,840	234,088
Alabama.....	1,491	1,680			3,171	16,910	29,518
Arkansas.....	384	550			934	14,763	506
Florida.....	3,678	3,226			6,904	17,815	33,681
Georgia.....	13,221	6,054			19,275	4,569	3,727
Louisiana.....	504	500			1,004	329	973
Mississippi.....	1,421	832			2,253	602	11,016
Oklahoma.....	964	7,834			8,798	2,273	88
South Carolina.....	1,865	4,542			6,407	5,496	1,008
Texas.....	989	6,176			7,165	8	1,972
Total, Southern Region.....	24,517	31,394			55,911	62,765	82,489
Arizona.....							1,238
California.....	282	380			662		3,445
Colorado.....	93	286			379		611
Idaho.....	16	58			74	210	2,947
Kansas.....	3,792	5,147			8,939	16,939	541
Montana.....	273	252			525		368
Nevada.....	20				20		189
New Mexico.....	18	78			96		2,800
North Dakota.....	3,804	7,018			10,822		40
Oregon.....	23	38			61	17,685	2,234
Utah.....	8				8		878
Washington.....	33	37			70	4,802	2,392
Wyoming.....	138	242			380		161
Total, Western Region.....	8,500	13,536			22,036	39,636	17,844
United States total.....	55,445	62,015	48,380	30,945	196,785	5,019,292	496,638

Table No. 3.—SOIL-BUILDING PRACTICES CARRIED OUT UNDER THE 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Continued

State and Region	Fertilizer and lime applications			Pasture practices				
	Mu- riate of potash	Gyp- sum	Total	Seed- ing pas- ture mix- tures	Reseeding pastures		Con- tour ridg- ing	Total (ex- cluding artificial reseeding and contour ridging)
					Natural (by de- ferred grazing)	Arti- ficial		
	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Acres</i>	<i>Acres</i>	<i>Pounds</i>	<i>1,000 linear feet</i>	<i>Acres</i>
Maine.....	680		41, 198	153		1, 980		153
New Hampshire.....	376		18, 256	332		6, 740		332
Vermont.....	812		48, 259	197				197
Massachusetts.....	1, 146		34, 043	364		1, 790		364
Rhode Island.....	131		3, 932	12		290		12
Connecticut.....	280		37, 266	719				719
New York.....	161		350, 164	4, 147				4, 147
New Jersey.....	1, 118		101, 686	2, 623				2, 623
Pennsylvania.....	2, 052		687, 320	1, 991		1, 680		1, 991
Total, Northeast Region.....	6, 756		1, 322, 124	10, 538		12, 480		10, 538
Illinois.....	252	2	581, 977		5, 902	21, 287		5, 902
Indiana.....	18	2	201, 959		284	30, 514		284
Iowa.....	5	2	203, 232		2, 675	91, 990		2, 675
Michigan.....	241		157, 420			21, 020		
Minnesota.....	7	52	16, 120		186	14, 852		186
Missouri.....			206, 651		8, 881	1, 355, 365		8, 881
Nebraska.....			543		321, 248	32, 654		321, 248
Ohio.....	5	8	204, 096		289	22, 780		289
South Dakota.....					1, 296, 319	192, 029		1, 296, 319
Wisconsin.....	169	2	183, 667		9, 687	185, 147		9, 687
Total, North Central Region.....	697	68	1, 755, 665		1, 645, 471	1, 967, 638		1, 645, 471
Delaware.....	819		29, 148			100		
Maryland.....	1, 613		172, 541			28, 270		
Virginia.....	1, 608		439, 711			756, 685		
West Virginia.....	434		264, 965					
North Carolina.....	51		87, 613			365, 875		
Kentucky.....	10		582, 358			1, 640, 119		
Tennessee.....	46		371, 173			1, 358, 827		
Total, East Central Region.....	4, 581		2, 247, 509			4, 149, 876		
Alabama.....			46, 428	23, 114		222, 100	2, 244	23, 114
Arkansas.....			15, 269	27, 846		352, 400	406	27, 846
Florida.....			51, 496	58, 534		33, 700	98	58, 534
Georgia.....			8, 296	14, 734		43, 200	2, 008	14, 734
Louisiana.....			1, 302	35, 819		80, 200	138	35, 819
Mississippi.....			11, 618	17, 578		197, 700	3, 509	17, 578
Oklahoma.....			2, 361		30, 013	70, 600	3, 376	30, 013
South Carolina.....			6, 504	3, 330		46, 600	264	3, 330
Texas.....			1, 980	1, 224	25, 905	157, 300	3, 999	27, 129
Total, Southern Region.....			145, 254	182, 179	55, 918	1, 203, 800	16, 042	238, 097
Arizona.....			1, 238					
California.....		3, 864	7, 309		8, 932	59, 120		8, 932
Colorado.....			611		27, 311	53, 810		27, 311
Idaho.....		1, 045	4, 202		410	55, 490		410
Kansas.....			17, 480		117, 161	360, 000		117, 161
Montana.....		161	529		45, 613	87, 070		45, 613
Nevada.....			189		466	10, 490		466
New Mexico.....	1	150	2, 951		1, 039	16, 110		1, 039
North Dakota.....			40		71, 376	155, 830		71, 376
Oregon.....		13, 596	33, 515		5, 696	605, 280		5, 696
Utah.....			878		9, 949	52, 100		9, 949
Washington.....		145	7, 339		14, 434	286, 500		14, 434
Wyoming.....			161		8, 974	50, 710		8, 974
Total, Western Region.....	1	18, 961	76, 442		311, 361	1, 792, 510		311, 361
United States total.....	12, 035	19, 029	5, 546, 994	192, 717	2, 012, 750	9, 126, 304	16, 042	2, 205, 467

Table No. 3.—SOIL-BUILDING PRACTICES CARRIED OUT UNDER THE 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Continued

State and Region	Erosion-control practices						
	Terracing	Construction of dams and reservoirs	Protecting muck land by wind-breaks	Protected summer fallow	Strip cropping	Contour listing or furrowing non-cropland	Contour farming inter-tilled crops
	<i>1,000 linear feet</i>	<i>Cubic yards</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Maine.....					82		442
New Hampshire.....					2		3
Vermont.....							
Massachusetts.....							
Rhode Island.....							
Connecticut.....							
New York.....	33		1,837		10,937		534
New Jersey.....					423		
Pennsylvania.....	2				4,409	196	
Total Northeast Region.....	35		1,837		15,853	196	979
Illinois.....	42				464	34	93
Indiana.....	22				55	122	
Iowa.....	44				96	8	2,416
Michigan.....							
Minnesota.....					6,444	583	790
Missouri.....	2,180				280	826	1,192
Nebraska.....	173			531,358	28,930	440	17,842
Ohio.....	11				1,405		
South Dakota.....	11			328,412	198,746	116	1,896
Wisconsin.....	12				8,730	30	12
Total North Central Region.....	2,484			859,770	245,150	2,159	24,241
Delaware.....	6						
Maryland.....	5						
Virginia.....	2,260						
West Virginia.....							
North Carolina.....	14,734						
Kentucky.....	720						
Tennessee.....	14,006						
Total East Central Region.....	31,731						
Alabama.....	87,705				672	188	
Arkansas.....	17,474				832	248	352
Florida.....	5,424						
Georgia.....	35,518				404	240	
Louisiana.....	12,171				40	128	
Mississippi.....	45,749				388		
Oklahoma.....	26,581	486,540		102,932	8,128	8,432	375,560
South Carolina.....	13,658				760	1,568	
Texas.....	104,264	2,161,455		714,396	129,972	37,148	3,580,504
Total Southern Region.....	348,544	2,647,995		817,328	141,196	47,952	3,956,416
Arizona.....							
California.....	430	359,385			48	312	
Colorado.....	106	90,420		545,636	54,884	13,644	48,496
Idaho.....		2,415		180,980			
Kansas.....	2,868	359,115		1,436,004	4,196	15,100	65,536
Montana.....	512	500,370		1,656,004	169,756	420	1,600
Nevada.....		1,995					
New Mexico.....	5,312	243,120		111,268	21,888	15,112	413,000
North Dakota.....		1,037,175		894,780	39,312	1,000	240
Oregon.....	6	5,730		290,704		24	
Utah.....	8	29,355		119,804			
Washington.....		1,560		483,952	484	436	
Wyoming.....		359,490		74,980	20,440	112	
Total Western Region.....	9,242	2,990,130		5,794,112	311,008	46,160	528,872
United States total.....	392,036	5,638,125	1,837	7,471,210	713,207	96,467	4,510,508

Table No. 3.—SOIL-BUILDING PRACTICES CARRIED OUT UNDER THE 1938 AGRICULTURAL CONSERVATION PROGRAM, ETC.—Continued

State and Region	Erosion-control practices				Sanding cranberry bogs	Weed control
	Contour seeding small grain crops	Contour listing and basin listing on the contour	Other basin listing	Total (excludes terracing, reservoirs, and dams)		
	Acres	Acres	Acres	Acres	Acres	Acres
Maine.....				524		
New Hampshire.....				5		
Vermont.....						
Massachusetts.....					3,097	
Rhode Island.....					30	
Connecticut.....						
New York.....				13,308		
New Jersey.....				423	617	
Pennsylvania.....				4,605		
Total Northeast Region.....				18,865	3,744	
Illinois.....				591	10	
Indiana.....				177		
Iowa.....				2,520		
Michigan.....						
Minnesota.....				7,817		
Missouri.....				2,298		
Nebraska.....		5,910	2,532	587,012		
Ohio.....		2		1,407		
South Dakota.....		1,500	1,393	532,063		
Wisconsin.....				8,772	284	
Total North Central Region.....		7,412	3,925	1,142,657	294	
Delaware.....						
Maryland.....						
Virginia.....						
West Virginia.....						
North Carolina.....						
Kentucky.....						
Tennessee.....						
Total East Central Region.....						
Alabama.....				860		
Arkansas.....	580			2,012		
Florida.....						
Georgia.....				644		
Louisiana.....				168		
Mississippi.....				388		
Oklahoma.....	132,120	111,232	9,060	747,464		87
South Carolina.....				2,328		
Texas.....	689,400	1,669,712	179,430	7,000,562		4
Total Southern Region.....	822,100	1,780,944	188,490	7,754,426		91
Arizona.....						806
California.....	10,380			10,740		2,146
Colorado.....	15,520	81,024	13,490	772,694		214
Idaho.....	3,320			184,300		3,351
Kansas.....	57,640	26,464	59,360	1,664,300		8,776
Montana.....	1,920		3,150	1,832,850		5,478
Nevada.....						109
New Mexico.....	54,580	49,704		665,552		13
North Dakota.....	460		340	936,132		2,752
Oregon.....	520			291,248		7,096
Utah.....	14,470			134,274		3,011
Washington.....	1,030			485,902		8,285
Wyoming.....	490	224	120	96,366		1,727
Total Western Region.....	160,330	157,416	76,460	7,074,358		43,764
United States total.....	982,430	1,945,772	268,875	15,990,306	4,038	43,855

Table No. 4.—1938 RANGE CONSERVATION PROGRAM—STATISTICS OF PARTICIPATION (PRELIMINARY, AS OF JULY 1, 1939)

State and Region	Applica- tions	Range land	Grazing capacity, animal units	Range land per animal unit
	<i>Number</i>	<i>Acres</i>	<i>Number</i>	<i>Acres</i>
Nebraska.....	2,688	9,926,295	553,078	17.9
South Dakota.....	5,692	13,058,908	621,199	21.0
Total North Central Region.....	8,280	22,985,203	1,174,277	19.6
Oklahoma.....	1,950	4,310,000	340,300	12.7
Texas.....	20,750	74,493,000	4,530,000	16.4
Total Southern Region.....	22,700	78,803,000	4,870,300	16.2
Arizona.....	476	9,346,668	225,669	41.4
California.....	1,143	4,851,486	257,318	18.9
Colorado.....	1,575	6,696,890	163,321	41.0
Idaho.....	449	1,639,214	42,107	38.9
Kansas.....	1,018	2,677,054	134,750	19.9
Montana.....	2,850	14,665,906	328,708	44.6
Nevada.....	131	1,261,023	29,493	42.8
New Mexico.....	2,539	24,743,349	653,123	37.9
North Dakota.....	302	971,874	28,598	34.0
Oregon.....	990	4,604,182	122,229	37.7
Utah.....	286	1,125,288	21,833	61.5
Washington.....	428	1,667,458	42,725	39.0
Wyoming.....	2,001	13,812,662	389,189	35.5
Total Western Region.....	14,188	88,063,054	2,439,063	36.1
United States total.....	45,168	189,851,257	8,483,640	22.4

Table No. 5.—RANGE-BUILDING PRACTICES—1938 RANGE CONSERVATION PROGRAM (PRELIMINARY, AS OF JULY 1, 1939)

State and Region	Reseeding range land		Erosion and run-off control	
	Natural, by deferred grazing	Artificial	Contour listing, furrowing, or sub- soiling	Contour ridging
	<i>Acres</i>	<i>Pounds</i>	<i>Acres</i>	<i>1,000 feet</i>
Nebraska.....	2,324,234	7,537	407	-----
South Dakota.....	3,439,344	19,719	1,241	-----
Total, North Central Region.....	5,763,578	27,256	1,648	-----
Oklahoma.....	873,000	38,000	3,300	465
Texas.....	5,198,000	560,000	66,200	58,222
Total, Southern Region.....	6,071,000	598,000	69,500	58,687
Arizona.....	689,904	700	1,716	-----
California.....	874,212	52,376	-----	-----
Colorado.....	2,143,352	197,147	17,740	-----
Idaho.....	470,482	50,833	8,622	-----
Kansas.....	665,134	8,748	697	-----
Montana.....	4,227,838	200,940	-----	-----
Nevada.....	261,486	28,908	57,101	-----
New Mexico.....	3,628,909	34,523	-----	-----
North Dakota.....	273,674	6,183	-----	-----
Oregon.....	969,440	101,949	-----	-----
Utah.....	219,596	9,867	-----	-----
Washington.....	387,474	8,056	-----	-----
Wyoming.....	1,430,997	49,416	1,008	-----
Total, Western Region.....	16,242,498	747,646	86,884	-----
United States total.....	28,077,076	1,372,902	158,032	58,687

Table No. 5.—RANGE-BUILDING PRACTICES—1938 RANGE CONSERVATION PROGRAM (PRELIMINARY, AS OF JULY 1, 1939)—Continued

State and Region	Erosion and run-off control—Continued		Water development			
	Construction of spreader dams	Construction of spreader terraces	Construction of earthen tanks or reservoirs	Construction of rubble masonry dams	Drilling or digging wells	Development of springs or seeps
Nebraska.....	<i>Cu. yards</i> 11, 231	<i>Lin. feet</i> 9, 289	<i>Cu. yards</i> 215, 044	<i>Cu. yards</i> -----	<i>Lin. feet</i> 111, 409	<i>Cu. feet</i> 8, 891
South Dakota.....	121, 586	26, 605	2, 941, 849	-----	14, 522	95, 320
Total, North Central Region.....	132, 817	35, 894	3, 156, 893	-----	125, 931	104, 211
Oklahoma.....	6, 100	67, 000	1, 564, 000	2, 400	14, 400	111, 950
Texas.....	1, 408, 000	6, 482, 000	18, 501, 000	66, 900	514, 400	34, 900
Total, Southern Region.....	1, 414, 100	6, 549, 000	20, 065, 000	69, 300	528, 800	146, 850
Arizona.....	199, 954	35, 852	2, 122, 423	1, 746	25, 593	39, 138
California.....	-----	-----	187, 966	190	8, 946	114, 610
Colorado.....	15, 262	243, 683	283, 103	134	34, 883	19, 284
Idaho.....	2, 287	13, 604	10, 817	9	315	18, 524
Kansas.....	-----	-----	653, 730	-----	11, 500	24, 571
Montana.....	27, 769	235, 431	1, 496, 506	-----	5, 535	46, 868
Nevada.....	5, 888	2, 640	25, 064	-----	4, 493	9, 217
New Mexico.....	366, 410	474, 339	3, 602, 110	1, 030	79, 083	21, 193
North Dakota.....	-----	-----	95, 989	-----	1, 518	10, 782
Oregon.....	4, 742	-----	62, 155	-----	6, 787	42, 703
Utah.....	858	-----	43, 728	33	458	7, 176
Washington.....	-----	-----	47, 103	753	1, 068	11, 196
Wyoming.....	85, 977	122, 378	3, 564, 337	-----	37, 036	36, 124
Total, Western Region.....	709, 147	1, 127, 927	12, 195, 031	3, 895	217, 215	401, 395
United States total.....	2, 256, 064	7, 712, 821	35, 416, 924	73, 195	871, 946	652, 456

State and Region	Forestry practices		Elimination of destructive plants				Establishment of fire guards
	Planting trees	Maintaining a stand of trees	Prickly pear and cactus	Mesquite	Cedar	Lechuguilla	
Nebraska.....	<i>Acres</i> 3, 016	<i>Acres</i> 664	<i>Acres</i> -----	<i>Acres</i> -----	<i>Acres</i> -----	<i>Acres</i> -----	<i>Lin. feet.</i> -----
South Dakota.....	349	53	-----	-----	-----	-----	-----
Total, North Central Region.....	3, 405	717	-----	-----	-----	-----	-----
Oklahoma.....	10	-----	36, 100	2, 100	310	-----	883, 000
Texas.....	1, 390	-----	1, 536, 300	152, 900	630, 640	74, 500	11, 357, 000
Total, Southern Region.....	1, 400	-----	1, 572, 400	155, 000	630, 950	74, 500	12, 240, 000
California.....	-----	-----	-----	-----	-----	-----	5, 133, 475
Idaho.....	-----	-----	-----	-----	-----	-----	217, 938
Montana.....	-----	-----	-----	-----	-----	-----	670, 440
New Mexico.....	-----	-----	-----	-----	-----	-----	32, 264
North Dakota.....	-----	-----	-----	-----	-----	-----	39, 600
Oregon.....	-----	-----	-----	-----	-----	-----	121, 440
Washington.....	-----	-----	-----	-----	-----	-----	583, 929
Total, Western Region.....	-----	-----	-----	-----	-----	-----	6, 799, 086
United States, total.....	4, 805	717	1, 572, 400	155, 000	630, 950	74, 500	19, 039, 086

Table No. 6.—1938 AGRICULTURAL CONSERVATION PROGRAM—ESTIMATED NUMBER OF PAYEES RECEIVING PAYMENTS BY SIZE-OF-PAYMENT GROUPS, BY REGIONS (PRELIMINARY, AS OF JULY 1, 1939)

Size of payment	North-east	North Central	East Central	South-ern	West-ern	Insular	Total United States
\$0.00-\$20.00.....	34,689	199,539	411,952	476,101	79,785	49,621	1,251,687
\$20.01-\$40.00.....	37,991	189,013	240,626	633,750	74,653	9,800	1,185,833
\$40.01-\$60.00.....	30,399	162,328	135,632	456,106	54,422	3,613	842,500
\$60.01-\$100.00.....	33,461	236,374	112,687	426,832	79,044	2,558	890,956
\$100.01-\$150.00.....	14,291	159,650	38,465	183,932	61,292	1,122	458,752
\$150.01-\$200.00.....	4,737	103,342	13,869	87,563	43,899	624	254,034
\$200.01-\$300.00.....	2,679	78,373	6,689	54,671	41,113	380	183,905
\$300.01-\$400.00.....	702	33,464	2,215	21,555	20,894	176	79,006
\$400.01-\$500.00.....	287	14,496	1,072	10,696	11,624	94	38,269
\$500.01-\$1,000.00.....	255	15,061	1,343	15,053	17,125	131	48,968
\$1,000.01-\$2,000.00.....	197	1,954	279	4,446	4,266	28	11,170
\$2,000.01-\$3,000.00.....	33	278	65	944	801	10	2,131
\$3,000.01-\$4,000.00.....	2	94	19	353	236	4	708
\$4,000.01-\$5,000.00.....	6	50	4	167	125	1	353
\$5,000.01-\$10,000.00.....	7	58	6	190	148	2	411
Over \$10,000.00.....	1	12	1	47	49	3	113
Total.....	159,737	1,194,086	964,924	2,372,406	489,476	68,167	5,248,796

Table No. 7.—1938 AGRICULTURAL CONSERVATION PROGRAM—ESTIMATED NUMBER OF PAYEES RECEIVING PAYMENTS IN VARIOUS SIZE-OF-PAYMENT GROUPS, EXPRESSED AS PERCENTAGES OF TOTAL PAYEES, BY REGIONS (PRELIMINARY, AS OF JULY 1, 1939)

Size of payment	North-east	North Central	East Central	South-ern	West-ern	Insular	Total, United States	Cumulative total, United States
\$0.00-\$20.00.....	21.72	16.71	42.69	20.07	16.30	72.79	23.85	23.85
\$20.01-\$40.00.....	23.78	15.83	24.94	26.71	15.25	14.38	22.59	46.44
\$40.01-\$60.00.....	19.03	13.60	14.06	19.23	11.12	5.30	16.05	62.49
\$60.01-\$100.00.....	20.95	19.80	11.68	17.99	16.15	3.75	16.98	79.47
\$100.01-\$150.00.....	8.95	13.37	3.99	7.75	12.52	1.64	8.74	88.21
\$150.01-\$200.00.....	2.96	8.66	1.44	3.69	8.97	.92	4.84	93.05
\$200.01-\$300.00.....	1.677	6.56	.69	2.31	8.40	.56	3.50	96.55
\$300.01-\$400.00.....	.439	2.80	.22	.91	4.27	.26	1.51	98.06
\$400.01-\$500.00.....	.180	1.21	.11	.45	2.38	.14	.73	98.79
\$500.01-\$1,000.00.....	.160	1.26	.14	.63	3.50	.192	.93	99.72
\$1,000.01-\$2,000.00.....	.123	.16	.029	.188	.87	.041	.21	99.93
\$2,000.01-\$3,000.00.....	.021	.023	.007	.040	.16	.015	.04	99.97
\$3,000.01-\$4,000.00.....	.001	.007	.002	.015	.05	.006	.013	99.983
\$4,000.01-\$5,000.00.....	.004	.004	.001	.007	.02	.001	.007	99.990
\$5,000.01-\$10,000.00.....	.004	.005	.001	.008	.03	.002	.008	99.998
Over \$10,000.00.....	.001	.001	.0001	.002	.01	.003	.002	100.000
Total.....	100.000	100.000	100.000	100.000	100.00	100.000	100.000	-----

APPENDIX C.—WASHINGTON ORGANIZATION OF THE A. A. A.

The central administration in Washington is headed by the Administrator and an Assistant Administrator. Under their direction, the responsibility for carrying on the work of the Agricultural Adjustment Administration rests upon 6 regional directors, a director of information, and a consumers' counsel, each of whom is in charge of a division. Under an executive assistant likewise directly responsible to the Administrator, three smaller executive divisions—personnel management, general service, and fiscal management—make up the Office of the Executive Assistant to the Administrator.

The 6 regional directors are responsible for A. A. A. program operations in their respective geographical areas. Always in close contact with the Office of the Administrator as well as with the State committeemen and field representatives in the areas they service, their offices serve as clearinghouses in the two-way flow of administrative direction and information between Washington and the field.

The 6 regional divisions are geographical rather than type-of-farming areas, but each tends to place special emphasis on the major crop or type of farming that is characteristic of the region. The States and Territories comprising each of these regions, and the leading crop or type of farming in each, are as follows.

1. **The Southern Division:** South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Texas, and Oklahoma. Major crop: Cotton.

2. **The East Central Division:** Tennessee, Kentucky, North Carolina, Virginia, West Virginia, Maryland, and Delaware. Major crop: Tobacco.

3. **The Northeast Division:** Pennsylvania, New Jersey, New York, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, and Rhode Island. Major type of farming: Dairying and general farming.

4. **The North Central Division:** Ohio, Michigan, Indiana, Illinois, Wisconsin, Iowa, Missouri, Nebraska, South Dakota, and Minnesota. Major crop: Corn.

5. **The Western Division:** North Dakota, Kansas, Colorado, Wyoming, Montana, New Mexico, Arizona, California, Utah, Nevada, Idaho, Oregon, and Washington. Major crops: Wheat and range-cattle.

6. **The Insular Division:** Puerto Rico, and the Territories of Alaska and Hawaii. Major crop: Sugarcane.

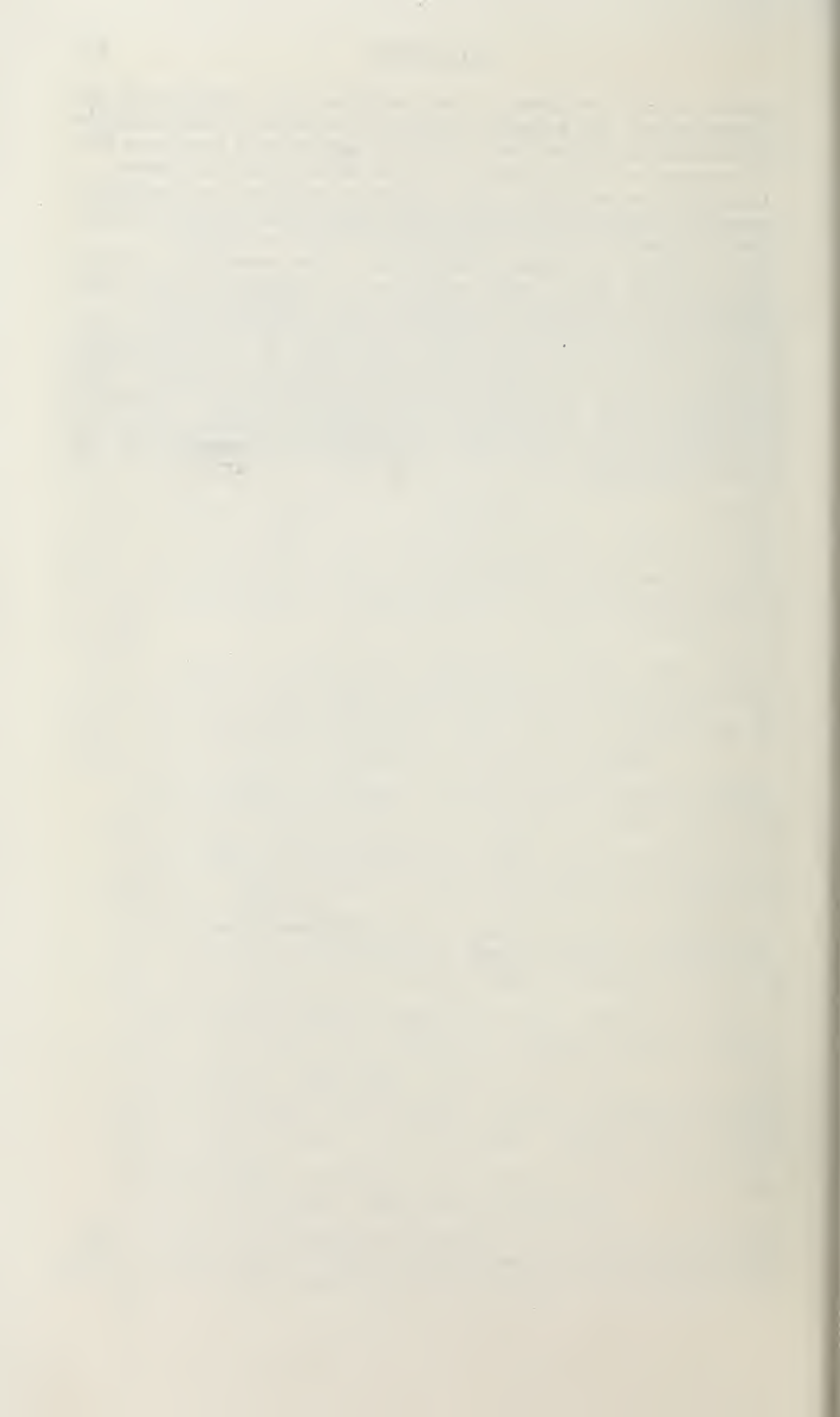
The Division of Consumers' Counsel is one of two nonregional divisions which are in charge of specialized activities covering the entire country rather than any particular region. It represents the

interests of the consumer in the programs and activities of the Administration. Its primary function is to see to it that administrative action to protect the interests of agricultural producers does not run counter to the equally valid interests of the consumers.

In addition to handling a large volume of consumer correspondence, the work of the division includes publication of Consumers' Guide, a biweekly magazine devoted exclusively to consumer interests.

The Division of Information is the other nonregional division with specialized Nation-wide activities. In general, it directs and supervises the informational activities of the Administration.

It is a service organization which cooperates with administrative divisions of the A. A. A., with State and county A. A. A. committees, extension services, vocational agriculture teachers, women's clubs, civic groups, farm organizations, farm journals, and newspapers in furnishing reliable information in appropriate practical forms, and by furnishing personnel to assist in planning and carrying out educational programs.



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